

**22 September 2025**

**MEMORANDUM  
OF  
UNDERSTANDING**

**SWITZERLAND**

**Swiss Financial Market  
Supervisory Authority**

**UNITED KINGDOM**

**Financial Conduct  
Authority**

**UNITED KINGDOM**

**Bank of England  
(including in its capacity  
as the Prudential  
Regulation Authority)**

# **Memorandum of Understanding between the Swiss Financial Market Supervisory Authority, the Financial Conduct Authority and the Bank of England, including the Prudential Regulation Authority, under the Berne Financial Services Agreement**

## **Recitals**

The purpose of this Memorandum of Understanding ("MoU") is to set out the arrangements for supervisory cooperation and information sharing according to Article 14 paragraph 5 of the Berne Financial Services Agreement (BFSA) between:

the Bank of England (BoE) including in its capacity as the Prudential Regulation Authority (PRA)

and

the Financial Conduct Authority (FCA)

and

the Swiss Financial Market Supervisory Authority (FINMA);

collectively referred to as the "Authorities".

## **WHEREAS:**

- (a) The FCA is responsible for ensuring that relevant markets function well through ensuring an appropriate degree of protection for consumers, protecting and enhancing the integrity of the UK financial system, and promoting effective competition in the interests of consumers in markets;
- (b) The Bank of England (Bank) is responsible for supervising certain market infrastructure (recognised payment systems, securities settlement systems and central counterparties) in addition to its monetary authority/financial stability functions as a central bank and as the UK's resolution authority;
- (c) The Prudential Regulation Authority (PRA) (a statutory authority that is part of the Bank of England) is responsible for prudential supervision of deposit takers, insurers and major investment firms;
- (d) FINMA is responsible for financial market supervision in Switzerland, including prudential supervision of banks, insurance companies and insurance intermediaries, financial market infrastructures and non-banking intermediaries (including securities firms, fund management companies, managers of collective assets, portfolio managers and collective investment schemes), supervision in the field of AML/CFT prevention and fulfils the tasks of a resolution authority.

Expressing, through this MoU, the Authorities' intention to cooperate with each other in line with Article 14 of the BFSA and within the scope of Sectoral Annex 4 Section VIII (Insurance) and Annex 5 Section X (Investment Services) in order to facilitate the performance of the

Authorities' relevant functions and for the purpose of ensuring financial stability, market integrity and the protection of investors and consumers.

Recognizing the points above, the Authorities have reached the following understanding:

### **Paragraph 1. Definitions**

For the purposes of this MoU:

"Authority" or "Authorities" mean the signatories to this MoU, i.e. FINMA and/or, the FCA and/or the BoE (including in its capacity as the PRA), and/or any successor thereto;

"BFSA" means the Agreement between the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland on Mutual Recognition in Financial Services of 21 December 2023, also known as the Berne Financial Services Agreement;

"Covered Client" means a client as defined in Sectoral Annex 4 V.B. or 5 V.A of the BFSA;

"Covered Financial Services Supplier" means a financial services supplier as defined in Sectoral Annex 4 IV. B. or 5 IV. A of the BFSA;

"Covered Sector Activity", means the supply of a specific Covered Service by a specific Covered Financial Services Supplier to a specific Covered Client, and in the case of a Covered Financial Services Supplier as defined in Sectoral Annex 5.IV.A BFSA only in respect of Covered Financial Instruments as defined in Sectoral Annex 5 VI.A BFSA;

"Covered Service" means a service as defined in Sectoral Annex 4 III.B or 5 III.A. of the BFSA;

"Functions under Financial Market Law" means the tasks of the Authorities in performing their respective mandates as financial services market supervisors and regulators under the Laws and Regulations or the related tasks of an Onward Sharing Body. This includes and is not limited to authorization, recognition and registration, ongoing prudential (including both off-site and on-site conduct) supervision or monitoring and enforcement or having oversight of or responsibility for ensuring the integrity and stability of the financial system of the UK or Switzerland. Such tasks may further relate to the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial services supplier; the maintenance of the safety, soundness, integrity or financial responsibility of financial services suppliers; or other prudential or macroprudential matters.

"Laws and regulations" means any law, regulation or requirement applicable in Switzerland or the UK that applies to an Authority or a Third Party or a Covered Financial Services Supplier. For greater certainty, where the context permits this includes:

- any rule, direction, requirement or supervisory practice made or given by, or to be taken into account by, a Supervisory Authority;
- for Switzerland, any provision of the BFSA itself that forms part of, and has effect in, the domestic law of Switzerland;
- any law, regulation or requirement that implements or executes the BFSA.

"Non-Public Information" means any confidential information, be it written or spoken, and regardless of its format (electronic, paper, etc.), that the Authorities receive from each other;

"Onward Sharing Body" means a Third Party which performs Functions under Financial Markets Law, and includes the bodies referred to in Paragraph 7(5).

"Relevant UK Authority" means either the FCA or the PRA, determined in accordance with the notification referred to in Paragraph 2(10).

"Providing Authority" means an Authority that provides assistance or information under this MoU;

"Requested Authority" means the Authority to whom a request is made under this MoU;

"Requesting Authority" means the Authority making a request under this MoU;

"Third Party" means an authority, body or person, which may be specified in the Laws and Regulations and which is not an Authority;

"UK" means the United Kingdom of Great Britain and Northern Ireland.

## **Paragraph 2. General Provisions**

1. This MoU and its annexes will apply where cooperation is for the purposes of exercising a function of an Authority in line with Article 14 BFSa and within the scope of Sectoral Annex 4 Section VIII (Insurance) and Annex 5 Section X (Investment Services) BFSa. Existing cooperation arrangements will continue to apply in respect of all other cooperation between the Authorities.
2. This MoU does not create any legally binding obligations, confer any enforceable rights, or supersede the Laws and Regulations. This MoU does not confer upon any Third Party the right or ability (directly or indirectly) to obtain, suppress, or exclude any information or to challenge the execution of a request for assistance under this MoU.
3. This MoU does not create any legally binding obligations on the Authorities to share information with each other in respect of fiscal, penal and competition matters.
4. The general provisions of this MoU are complemented by its underlying annexes further specifying aspects of cooperation and the appendix. In the event of an inconsistency between the general provisions of this MoU and its annexes, the annexes will prevail.

5. Each Authority will, within the framework of this MoU and, subject to the Laws and Regulations, use reasonable endeavours to provide the other Authorities with the fullest cooperation permissible.
6. In deciding whether and to what extent the assistance may be provided, an Authority may take into account the following:
  - a. whether the provision of assistance, and if applicable any requests for assistance, conform with this MoU;
  - b. whether the cooperation could reasonably be considered so burdensome or prejudicial as to disrupt the proper performance of the Authority's functions;
  - c. whether the cooperation would result in incurring significant costs;
  - d. whether the cooperation would require it to act in a manner that would violate the Laws and Regulations;
  - e. whether the cooperation would be contrary to the public interest of the Requested Authority's jurisdiction.
7. The Authorities acknowledge that pursuant to Article 14 paragraph 6 BFSa professional confidentiality rules to which the Authorities are subject, such as domestic secrecy or blocking laws or regulations, shall not hinder collaboration between them nor the supervisory cooperation provided for under the BFSa.
8. This MoU, excluding the appendix (Contact Points), may be made publicly available.
9. In providing the Non-Public Information by electronic format or transferring the electronic documents through the Internet, the Authorities should ensure an adequate level of data security for the Non-Public Information. The Authorities acknowledge that any transfer of personal data under this MoU will take place in accordance with applicable data protection legislation. Authorities should have appropriate arrangements in place to store, transfer and control the use of Non-Public Information internally.
10. The PRA and FCA will agree which of them is to be treated as the Relevant UK Authority for the various provisions of this MoU including its annexes and will jointly notify FINMA the outcome of this agreement.
11. This MoU will take effect on the date the BFSa enters into force.

### **Paragraph 3. Cooperation activities**

1. Cooperation may include:
  - a. Sharing of information on request according to Paragraph 5 Requests for assistance or according to Paragraph 6 Unsolicited information sharing;
  - b. Where applicable, technical discussions on regulatory/supervisory issues of mutual interest.

2. Cooperation will be most useful in, but is not limited to, the following circumstances:
  - a. Any supervisory issues with respect to Covered Services provided by Covered Financial Services Suppliers to Covered Clients within the scope of this MoU in accordance with Paragraph 2(1) wherever relevant to an Authority in the other jurisdiction, such as
    - I. ongoing supervision,
    - II. regulatory/supervisory approvals or actions and
    - III. issues relevant to the operations, activities and regulation of Covered Financial Services Suppliers;
  - b. General supervisory issues of mutual interest, including with respect to
    - I. regulatory/supervisory or enforcement developments, issues or changes of relevance to Covered Financial Services Suppliers and
    - II. any updates on the Authorities' respective functions and regulatory/supervisory oversight programs that are relevant for the functioning of this MoU;

The Authorities may create forums for discussion or working groups to assist with cooperation on the issues in sub-paragraphs a) and b).

3. Where relevant to the functioning of the MoU and BFSa and not already addressed by the BFSa's Joint Committee, the Authorities will notify one another as soon as reasonably practicable if they become aware of any material changes in the Laws and Regulations governing guarantees of professional secrecy/confidentiality applying to Non-Public Information exchanged between the Authorities.

#### **Paragraph 4. Exchange of requested information**

1. For a request falling within the scope of this MoU in accordance with Scope Paragraph 2(1), and to the extent permitted by the Laws and Regulations, the Requested Authority will provide the Requesting Authority, in writing, with the requested information, and, where needed with assistance interpreting such information.
2. In particular, where the requested information is not available within its files, the Requested Authority will use reasonable endeavours to obtain, through the most appropriate means, the requested information on behalf of the Requesting Authority.

#### **Paragraph 5. Requests for assistance**

1. To the extent possible, a request pursuant to Paragraph 4 (Exchange of requested information) should be made in writing by electronic means and addressed to the relevant contact point identified in the Appendix. A request generally should specify the following:
  - a. The information or other assistance requested, including necessary details allowing the Requested Authority to identify the type of information sought by the Requesting Authority;

- b. the name of the Covered Financial Services Supplier established in the territory of the Requested Authority from which the information is to be sought, if relevant.
  - c. if information is provided by the Requesting Authority for confirmation or verification, the information and the form in which such confirmation or verification is sought.
  - d. a concise description of the facts underlying the request, how those facts are related to Covered Sector Activities and the purpose for which the assistance is sought.
  - e. to whom, if anyone, onward disclosure of information provided to the Requesting Authority is likely to be necessary and the purpose such disclosure would serve; and
  - f. the desired time period within which the assistance should be provided and, if necessary, the urgency thereof.
2. The Requested Authority will send an acknowledgement of receipt to the contact point identified in the request as soon as practicable.
3. Each request for assistance will be assessed on a case-by-case basis by the Requested Authority to determine whether assistance can be provided.
4. The Authorities will make their best efforts to provide information or deal with requests for assistance in a timely manner.
5. Assistance may be provided even if the type of conduct described in the request for assistance would not be a violation of the Laws and Regulations of the Requested Authority.
6. The Requested Authority will make its best efforts to provide the information sought in digital form.
7. Where the request for information involves interviewing an individual designated by the Requesting Authority, the Providing Authority will make its best efforts to enable the Requesting Authority to participate as appropriate at the interview.
8. In urgent cases, the Requesting Authority will endeavour to notify the Requested Authority of the urgency and communicate such information as would be appropriate in the particular circumstances. For urgent cases, requests for information may be made in any form, including orally, provided such communication is confirmed in writing as promptly as possible.
9. In deciding whether and to what extent to fulfil a request for assistance, the Requested Authority may take into account the considerations stipulated in Paragraph 2 (6). In case a request cannot be fulfilled in whole or in part, the Authorities will consult and where applicable, the Requested Authority will provide grounds for refusal. As part of these consultations, the Authorities may

consider whether there may be other assistance which may be given by the Requested Authority or by any other authority in its jurisdiction.

10. Consent for onward sharing should be made by the Providing Authority in express terms. For greater certainty, the provision of information or assistance by the Requested Authority should not on its own be taken as consent by the Requested Authority to such possible onward disclosure for the purposes of Paragraph 7(4).

#### **Paragraph 6. Unsolicited information sharing**

Each Authority will make all reasonable efforts to provide the other Authority, without prior request and as soon as possible, with any information likely to be of assistance to the other Authority for a function which is referred to in Paragraph 2(1) including the necessary background information. Such information includes:

- a. Any known material event or circumstance that could have a significant effect on the operation of a Covered Financial Services Supplier (such events or circumstances to include, among others, those impacting the operating environment, operations, financial resources, management, governance, risk assessment, or systems and control of a Covered Financial Services Supplier) or could otherwise adversely impact financial stability, market integrity or the protection of investors and consumers, or the orderly functioning of the markets in the other jurisdiction;
- b. Any known material information regarding suspicions of money laundering, terrorist financing, bribery, corruption or lack of compliance with sanctions and fraud prevention requirements concerning or related to Covered Financial Services Suppliers;
- c. Enforcement, supervisory or regulatory actions, including investigations or sanctions which could have, in the reasonable opinion of the authority providing the information, a material effect on a Covered Financial Services Supplier, including the withdrawal, suspension or modification of relevant authorisation, registration or extension of registration, concerning or related to a Covered Financial Services Supplier.

#### **Paragraph 7. Confidentiality and onward sharing of information**

##### *Confidentiality*

1. Except as otherwise provided for in paragraph 7 Confidentiality and onward sharing of information, the Authorities acknowledge that all Non-Public Information shared under this MoU, requests made under this MoU, the contents of such requests, and any other matters arising under this MoU will be treated as, and continue to be treated as, confidential.
2. The Authorities will ensure that all persons dealing with or having access to Non-Public Information provided by another Authority (including employees and contractors of



that Authority) are bound by the obligations of confidentiality in compliance with the Laws and Regulations, including after the termination of their duties.

#### *Permissible Uses*

3. Except as otherwise provided for in paragraph 7 Confidentiality and onward sharing of information, an Authority may use Non-Public Information obtained under this MoU solely for the purpose of performing Functions under Financial Market Law and, if applicable, for the purposes set forth in the Request for Assistance; and in cases where Non-Public Information obtained under the MoU is to be used for other purposes by the receiving Authority, prior written consent must be given by the Providing Authority.

#### *Onward Sharing of Information*

4. Non-Public Information obtained under this MoU may solely be disclosed to Third Parties with the prior written consent of the Providing Authority, unless otherwise permitted by Paragraph 7(5) and (6). A request for consent to such a disclosure will set out:
  - a. The name of the Third Party that the Non-Public Information is to be shared with;
  - b. Details of the purpose and scope of the disclosure;
  - c. Adequate assurances concerning the Third Party's use and confidential treatment of the information, including, as necessary, assurances that the information will not be shared with other Third Parties without the prior consent of the Providing Authority.

Consent may not be unreasonably withheld and requests for consent will be responded to by the Providing Authority as soon as practicable. If consent is not provided, the Requesting and Requested Authorities will discuss the reasons for withholding consent and the circumstances, if any, under which the intended use by the Requesting Authority may be allowed.

5. In certain circumstances, in order to perform Functions under Financial Market Law, it may become necessary for an Authority to disclose Non-Public Information obtained under this MoU to an Onward Sharing Body. In these circumstances the Authority may share the Non-Public Information without consent to an Onward Sharing Body for the purpose of enabling that body to perform Functions under Financial Market Law including the Berne Financial Services Agreement.

The Authority will, prior to sharing the Non-Public Information:

Notify the Providing Authority of the information it intends to share, which Onward Sharing Body will receive it and the purpose of the sharing, and confirm to the Providing Authority that the Onward Sharing Body will use the information to perform Functions under Financial Market Law and protect the confidentiality of the information, including, as necessary, provide assurances that the information will not be shared by the Onward Sharing Body with other parties without obtaining the prior written consent of the Providing Authority.

The sharing of Non-Public Information may notably occur with Onward Sharing Bodies, including:

For FCA and BoE:

- His Majesty's Treasury
- Payments System Regulator
- London Stock Exchange

For FINMA:

- Swiss National Bank
- Swiss Takeover Board
- Swiss Financial Intelligence Unit (Money Laundering Reporting Office, MROS)
- Federal Audit Oversight Authority
- Federal Department of Finance

6. If, pursuant to a legally enforceable demand or a mandatory disclosure requirement, an Authority is required by law to disclose Non-Public Information obtained under this MoU, the Authority will to the extent legally possible notify the Providing Authority ahead of disclosure, and give the Providing Authority a reasonable opportunity to respond prior to complying with such a legal requirement.

In the event that prior notification is not permitted by law, the disclosing Authority will inform the Providing Authority as soon as permitted after the disclosure.

Where asked by the Providing Authority or whenever prior notification is not permitted by law, the Requesting Authority will use its best efforts, namely all reasonable legal means, including asserting such appropriate legal exemptions or privileges with respect to the Non-Public Information as may be available to resist disclosure of any Non-Public Information obtained under this MoU.

7. For the purpose of performing Functions under Financial Market Law, an Authority may share Non-Public Information obtained under this MoU with an Authority that is an MoU signatory without the need to proactively notify the Providing Authority or obtain consent from the Providing Authority.

8. The Authorities intend that the sharing or disclosure of Non-Public Information, including but not limited to deliberative and consultative materials, pursuant to the terms of this MoU, will not constitute a waiver of privilege or confidentiality of such information.

#### **Paragraph 8. Ways of working**

The Authorities will consider opportunities for strategic secondments to be exchanged among each other, to support with the functioning of the BFSa.

#### **Paragraph 9. Amendments**

1. The Authorities will consult when necessary with a view to improving the MoU's operation and resolving issues through amendments, where matters arise that hinder the MoU's operation.
2. The Authorities may review the functioning and effectiveness of the cooperation arrangements under this MoU. In case the BFSa is expanded, the Authorities will assess any ramifications for this MoU and amend the same should that be judged necessary by all Authorities.
3. Amendments to this MoU, including the addition of new annexes or amendments to existing annexes, can be made and approved by all Authorities in writing.
9. Amendments to the relevant contact point listed in the Appendix may be made by each Authority giving written notice to the other Authorities.

#### **Paragraph 10. Termination**

1. Any Authority may terminate its participation in this MoU by giving 30 days prior written notice to the other Authorities' contact point listed in the Appendix.
2. In the event that an Authority decides to terminate its participation in this MoU, cooperation and assistance in accordance with this MoU will continue until the MoU is validly terminated in accordance with Paragraph 10.1. If any Authority gives a termination notice, cooperation and assistance in accordance with this MoU will continue in respect of all requests for assistance that were made, or information provided, before the effective date of termination until the conclusion of the matter for which assistance was requested.
3. In the event of the termination of an Authority's participation in this MoU, information obtained under this MoU will continue to be treated confidentially in the manner referred to under Paragraph 7 Confidentiality and onward sharing of information.

**Paragraph 11. Successor authorities**

Where the relevant functions of an Authority are transferred or assigned to another authority or authorities, the terms of this MoU will apply to the successor authority or authorities performing those relevant functions without the need for any further amendment to this MoU or for the successor to become a signatory to the MoU. This will not affect the ability of the successor authority to terminate the MoU as provided under paragraph 10 of this MoU if it wishes to do so.

**Paragraph 12. Contact points**

To facilitate cooperation under this MOU, the Authorities hereby designate contact points as set forth in the Appendix, for each relevant issue.

## **Annex 1: Insurance**

### **Paragraph 1. Definitions**

For the purpose of this Annex

- "Covered Client" means a client as defined in INS Annex Section V.B.
- "Covered Financial Services Supplier" means an insurance services supplier as defined in INS Annex Section IV.B.
- "Covered Service" means a service as defined in INS Annex Section III.B.
- "Formal Dialogue" means the dialogue envisaged under INS Annex Section VIII.A.3 and Paragraph 8 Dialogue between Authorities and exchange of information.
- "Host Intervention Power" means the power that FINMA may exercise as envisaged under INS Annex Section VIII.A.4.
- "INS Annex" means Annex 4 – Sectoral Annex Insurance of the BFSa.

### **Paragraph 2. Purpose and scope of the annex**

1. The purpose of this Annex is to supplement the general provisions of the MoU and to address sector-specific supervisory cooperation according to the INS Annex.
2. This annex is solely applicable to cooperation for the purposes of exercising a function of an Authority in line with Article 14 of the BFSa and within the scope of INS Annex Section VIII.

### **Paragraph 3. Supervisory roles under deference (supply based on deference)**

1. In line with INS Annex Section VIII.A.1 as regards Covered Sector Activity, the UK authorities, as home authorities, remain responsible for the supervision of Covered Financial Services Suppliers pursuant to UK domestic law. FINMA as host authority is responsible for actions under the INS Annex Section VIII.A.4 (Host intervention power), and retains responsibility for supervision in areas which are not subject to deference. For greater certainty, this paragraph is without prejudice to any measure the Authorities may be able to take under Article 20 BFSa, if applicable.
2. The Authorities note that in accordance with INS Annex Section VI.A.b.ii. BFSa the domestic law of Switzerland is applicable to an insurance intermediary who is in a fiduciary relationship with and acting in the interest of a Covered Client, and not as an employee of an insurance services supplier in accordance with article 40 paragraph 2 ISA (the Insurance Supervision Act of 17 December 2004; SR 961.01 (status as of 1 January 2024)), except for the localisation requirement in article 41 paragraph 2 letter a ISA. The Authorities understand that this means that the BFSa does not prevent FINMA from exercising its supervisory powers under Swiss law which is directly applicable to such insurance intermediaries' Covered Sector Activity without having to engage in a Formal Dialogue or exercise the Host Intervention Power.

#### **Paragraph 4. Notifications**

1. The Authorities will agree the format of notifications made by a Covered Financial Services Supplier to FINMA pursuant to INS Annex Section IV.B.e (a 'section IV notice'). A section IV notice will include:
  - a. The name of the Covered Financial Services Supplier;
  - b. If different, any trading name of the Covered Financial Services Supplier;
  - c. A contact point with relevant details at the Covered Financial Services Supplier who can be contacted in connection with the provision of Covered Services under the BFSa;
  - d. The Covered Financial Services Supplier's firm reference number on the FCA's financial services register;
  - e. The Covered Services, including the relevant classes of insurance, the Covered Financial Services Supplier wishes to supply into Switzerland to Covered Clients and are already supplied in respect of risks located outside Switzerland in accordance with INS Annex IV.B.c;
  - f. A self-declaration by or on behalf of the Covered Financial Services Supplier that it meets all the eligibility criteria pursuant to INS Annex Section IV.B subparagraphs (a) – (d) including the management buffer requirements and the possession of required knowledge by staff involved in the distribution of insurance contracts.

2. The Authorities acknowledge that, where there is a material technical or operational reason, they may agree changes to the information required in a section IV notice without amending this MoU. Once agreed, there will be a formal exchange of letters confirming the changes.

The Authorities will ensure any changes to the required information are published before they take effect, to provide sufficient time for Covered Financial Services Suppliers to understand and prepare for the changes.

3. The Authorities may make the form for a section IV notice publicly available on their websites.
4. Following receipt of a copy of any section IV notice, the relevant UK Authority will confirm to FINMA within 30 days of receipt of the section IV notice, and where possible sooner, whether the Covered Financial Services Supplier fulfils the eligibility requirements of INS Annex Section IV.B.a-c. and d.i-ii. & iv BFSa and is of good standing (in accordance with INS Annex Section VIII.A.2.a). For greater certainty, this will reflect the UK relevant authority's practice for providing letters of good standing, and may cover (but is not limited to) matters such as:
  - a. the Covered Financial Services Supplier's authorisation(s) status;
  - b. information about complaints, censures, investigations and disciplinary proceedings against the Covered Financial Services Supplier; and
  - c. whether the UK relevant authority holds any other relevant adverse information about the Covered Financial Services Supplier.

5. The relevant UK Authority will inform FINMA without undue delay if it becomes aware, in relation to a Covered Financial Services Supplier, of:
  - a. Any change in the information set out in Paragraph 4(1).
  - b. Any matter mentioned in INS Annex Section VIII.A.2.d.

For greater certainty, complaints of a material nature according to article VIII.A.2.d.iii of the INS Annex notably may include situations where the Covered Financial Services Supplier's behaviour is likely to cause significant harm to Covered Clients, or discriminates against a Covered Client through significant unequal treatment that is not legally or actuarially justifiable.

#### **Paragraph 5. Public Register**

1. Upon receipt of the relevant UK Authority's confirmation according to Paragraph 4(4) FINMA will place the Covered Financial Services Supplier on a register publicly available on its website according to INS Annex Section VIII.A.2.b.
2. The register will specify the name of the Covered Financial Services Suppliers as well as the Covered Services, including the relevant classes of insurance, the supplier wishes to supply under the BFSa.
3. FINMA will update as appropriate the entries on the register as per information received according to Paragraph 4(1) and (5)(a) in an electronic format determined by FINMA and agreed upon by the relevant UK Authority.
4. Where not incompatible with the BFSa and the Laws and Regulations, the relevant Authorities may agree to FINMA amending the register following a dialogue without engaging the procedure referred to in INS Annex Section VIII.A.3 and 4. For greater certainty, this is without prejudice to domestic procedures, including the Covered Financial Services Supplier's right of review.

#### **Paragraph 6. Reporting**

1. A Covered Financial Services Supplier, as a registered insurer, provides to FINMA on an annual basis the following information, in an electronic format determined by FINMA and agreed upon by the UK Authorities, with copy to the relevant UK Authority:
  - a. The name of the Covered Financial Services Supplier;
  - b. If different, any trading name of the Covered Financial Services Supplier;
  - c. The Covered Financial Services Supplier's firm reference numbers on the FCA's financial services register and its number on the register maintained by FINMA as referred to in Paragraph 5;
  - d. The information required under INS Annex Section VII.3.

2. Whenever FINMA would like to inquire about the reasoning for a lack of reporting by an insurer and possible compliance with reporting obligations, FINMA may notify the issue to the relevant UK Authority.

3. The relevant UK Authority and FINMA undertake to hold bilateral consultations with a view to agreeing on a fixed deadline by which a Covered Financial Services Supplier provides its yearly report to FINMA (in accordance with INS Annex Section VII.3) ahead of the entry into force of the BFSa insofar as not already agreed, and before making any subsequent changes to that deadline.

**Paragraph 7. Pre-contractual disclosures**

1. FINMA will publish on its website the requirements regarding the pre-contractual disclosures that a Covered Financial Service Supplier must provide according to INS Annex Section VII.1.
2. FINMA will consult the UK authorities in a timely way about the format and timings of such disclosures before the BFSa enters into force or before FINMA proposes to update them.

**Paragraph 8. Formal Dialogue between Authorities & exchange of information**

Where an issue is notified to the relevant UK Authority by FINMA, pursuant to INS Annex Section VIII.A.3.a, the Authorities will apply the following procedure:

- a. FINMA will submit all relevant information to the relevant UK Supervisory Authority without undue delay in accordance with Article 14(4) BFSa (Supervisory Cooperation) and INS Annex, Section VIII.A.3.a. This will include:
  - i. The name of the Covered Financial Services Supplier;
  - ii. Details of the suspected failure to comply with the requirements of the BFSa or details of any suspected risk of material harm to Covered Clients or the integrity or stability of the financial system of Switzerland;
  - iii. Any relevant information supporting those suspicions.
- b. The relevant UK Authority will, without undue delay, acknowledge receipt. The relevant Authority will immediately thereafter initiate, and advance, dialogue with a view to finding a commonly acceptable solution pursuant to INS Annex Section VIII.A.3.b.
- c. For this purpose, the relevant UK Authority will:
  - i. provide the information necessary to support the assessment of FINMA about the matters mentioned in Paragraph 8(a)(ii); and
  - ii. where appropriate, take measures to address the situation without undue delay, and inform FINMA thereof.
- d. As part of dialogue, FINMA may request of the relevant UK Authority (pursuant to Paragraph 5 Requests for assistance of the general provisions of the MoU) further information or assistance reasonably required to verify and/or address the issue raised in the notice. The relevant UK Authority will take all necessary actions to provide such assistance thereafter without undue delay.



For greater certainty, the procedures set out in this Paragraph do not apply to situations falling within INS Annex VIII.A.4.i, for example urgent matters.

**Paragraph 9. Direct request for information**

1. In the event that a Formal Dialogue has not resolved the issue, following the initial notice or a request for further information or assistance, FINMA may request information directly from a Covered Financial Services Supplier of the UK in accordance with INS Annex Section VIII.A.3.d.
2. FINMA will so far as is reasonably practicable, taking account of the urgency of the particular circumstances, notify the relevant UK Authority in advance of making the request or, in urgent cases, at the same time.

**Paragraph 10. Exercise of Host Intervention Power**

1. FINMA, after Formal Dialogue, will inform the relevant UK Authority as soon as practicable and before taking a measure under the Host Intervention Power (INS Annex Section VIII.A.4.e). The following information will be included:
  - i. The name of the Covered Financial Services Supplier to which any restrictions relate;
  - ii. Details of the restrictions to be imposed;
  - iii. Any other measures pursuant to INS Annex Section VIII.A.4.b to be implemented as part of applying the restrictions;
  - iv. A summary of the reasons for the restrictions and other measures;
  - v. Any other information necessary for the UK Authorities to understand the effect of the measure taken.

This subparagraph would not apply where there are exceptional circumstances according to INS Annex Section VIII.A.4.i. Instead, the Authorities will follow the procedure set out in INS Annex Section VIII.A.4.i.i-iii. However, the rest of this Paragraph will apply in either case.

2. Where FINMA takes action under the Host Intervention Power to determine arrangements for the orderly wind down of Covered Sector Activities under INS Annex VIII.4.b.ii it will coordinate where necessary, with the relevant UK Authority. In particular, FINMA will consult the relevant UK Authority when it has significant reason to consider the wind down arrangements could affect the stability of the financial system of the United Kingdom.
3. Where the matter which gave rise to the exercise of the Host Intervention Power has been resolved, FINMA will immediately review any relevant measures taken, with a view to rescinding them (INS Annex Section VIII.A.4.h).
4. Where a measure is taken under the Host Intervention Power, FINMA will notify the Joint Committee as soon as practicable, and provide regular updates thereafter, including immediately upon the rescinding of any such measure (INS Annex Section VIII.A.4.f-j).

#### **Paragraph 11. Compliance with the BFSa**

Where, as part of its ongoing supervisory engagement with a Covered Financial Services Supplier, a relevant UK Authority becomes aware that a Covered Financial Services Supplier is not compliant with the BFSa, it will take necessary action to restore compliance with the BFSa, and keep FINMA informed about the matter without undue delay where this is likely to assist FINMA to carry out its supervisory activities in accordance with the BFSa.

## **Annex 2: Investment Services**

### **Paragraph 1. Definitions**

For the purpose of this Annex

- "Covered Client" means a client as defined in IS Annex Section V A BFSA.
- "Covered Financial Services Supplier" means an investment services supplier as defined in IS Annex Section IV A BFSA. For greater certainty references to Covered Financial Services Supplier include financial services supplier.
- "Covered Service" means a service as defined in IS Annex Section III A BFSA.
- "Formal Dialogue" means the dialogue envisaged under IS Annex Section X.A.3. and Paragraph 8 Dialogue between Authorities and exchange of information.
- "Host Intervention Power" means the power that a relevant UK Authority may exercise as envisaged under IS Annex Section X.A.4.
- "IS Annex" means Annex 5 – Sectoral Annex Investment Services of the BFSA.

### **Paragraph 2. Purpose and scope of the annex**

1. The purpose of this Annex is to supplement the general provisions of the MoU and to address sector-specific supervisory cooperation according to the IS Annex.
2. This annex is solely applicable to cooperation for the purposes of exercising a function of an Authority in line with Article 14 of the BFSA and within the scope of IS Annex Section X.

### **Paragraph 3. Supervisory roles under deference (supply based on deference)**

In line with IS Annex Section X.A.1 as regards Covered Sector Activity, FINMA, as home authority, remains responsible for the supervision of Covered Financial Services Suppliers pursuant to the Swiss domestic law. The relevant UK authorities, as host authorities, are responsible for actions under the United Kingdom's domestic implementation of IS Annex Section X.A.4 (Host intervention power), and retain responsibility for supervision in areas which are not subject to deference. For greater certainty, this paragraph is without prejudice to any measure the Authorities may be able to take under Article 20 BFSA, if applicable.

### **Paragraph 4. Notifications**

1. The Authorities will agree the format of notifications made by a Covered Financial Services Supplier to the FCA pursuant to IS Annex Section IV A.e of (a 'section IV notice'). A section IV notice will include:
  - a. The name of the Covered Financial Services Supplier;
  - b. If different, any trading name of the Covered Financial Services Supplier;
  - c. A contact point with relevant details at the Covered Financial Services Supplier who can be contacted in connection with the provision of Covered Services under the BFSA;

- d. The Covered Financial Services Supplier's registration number with FINMA;
  - e. The Covered Services the Covered Financial Services Supplier wishes to supply into the United Kingdom by Covered Financial Instruments and categories of Covered Clients
  - f. A self-declaration by or on behalf of the Covered Financial Services Supplier that it meets all the eligibility criteria for the provision of Covered Services based on deference, in accordance with IS Annex Section VIII.A.
2. The Authorities acknowledge that, where there is a material technical or operational reason, they may agree changes to the information required in a section IV notice without amending this MoU. Once agreed, there will be a formal exchange of letters confirming the changes.

The Authorities will ensure any changes to the required information are published before they take effect, to provide sufficient time for Covered Financial Services Suppliers to understand and prepare for the changes.

3. The Authorities may make the form for a section IV notice publicly available on their websites.
4. Following receipt of a copy of any section IV notice, FINMA will confirm to the FCA within 60 days of receipt of the section IV notice, and where possible sooner, whether the Covered Financial Services Supplier fulfils the eligibility requirements of IS Annex Section IV.A.a-d and f and is of good standing (in accordance with IS Annex Section X.A.2.a). For greater certainty, this will reflect FINMA's practice for providing letters of good standing, and may cover (but is not limited to) matters such as:
- a. the Covered Financial Services Supplier's authorisation status,
  - b. information about complaints, censures, investigations and disciplinary proceedings against the Covered Financial Services Supplier;
  - c. whether FINMA holds any other relevant adverse information about the Covered Financial Services Supplier.
5. FINMA will inform the FCA without undue delay if it becomes aware, in relation to a Covered Financial Services Supplier, of:
- a. Any change in the information set out in Paragraph 4(1),
  - b. Any matter mentioned in IS Annex Section X A.2.d;

#### **Paragraph 5. Public register**

1. Upon receipt of FINMA's confirmation according to Paragraph 4(4) the FCA will place the Covered Financial Services Supplier on a register publicly available on its website according to IS Annex Section X. A.2. b.
2. The register will specify the name of the Covered Financial Services Suppliers as well as the Covered Services provided under the BFSa by Covered Financial Instruments and by categories of Covered Clients.

3. The FCA will update as appropriate the entries on the register as per information received according to Paragraph 4(1) and (5)(a) in an electronic format determined by the FCA and agreed upon by FINMA.
4. Where not incompatible with the BFSa and the Laws and Regulations, the relevant Authorities may agree to the FCA amending the register following a dialogue without engaging the procedure referred to in IS Annex Section X.A.3 and 4. For greater certainty, this is without prejudice to domestic procedures, including the Covered Financial Services Supplier's right of review.

**Paragraph 6.      Reporting**

1. A Covered Financial Services Supplier, provides to the FCA on an annual basis the following information, in an electronic format determined by the FCA and agreed upon by FINMA, with copy to FINMA:
  - a. The name of the Covered Financial Services Supplier;
  - b. If different, any trading name of the Covered Financial Services Supplier;
  - c. The Covered Financial Services Supplier's registration number with FINMA and its number on the register maintained by FCA as referred to in Paragraph 5; and
  - d. The information required under IS Annex Section IX.A.2.
2. The FCA and FINMA undertake to hold bilateral consultations with a view to agreeing on a fixed deadline by which a Covered Financial Services Supplier provides its yearly report to the FCA (in accordance with IS Annex Section IX A.2) ahead of the entry into force of the BFSa insofar as not already agreed, and before making any subsequent changes to that deadline.

**Paragraph 7.      Pre-contractual disclosures**

1. In order to ensure clarity and transparency for markets and consumers, the FCA will publish on its website the form and wording of the pre-contractual disclosures.
2. In accordance with IS Annex Section X.A.5.a , the FCA retains responsibility for specifying the wording of the pre-contractual disclosures pursuant to IS Annex Section IX.A.1.a-d, and will consult FINMA about the format and timings of such disclosures (for example, how soon a disclosure must be made before conclusion of a contract with a Covered Client).
3. The FCA will initiate the first consultation in a timely way, to give FINMA sufficient time to properly consider the proposals. The FCA will complete the consultation procedure before the BFSa enters into force.
4. The FCA may revise the wording or format of the pre-contractual disclosures, where it has reason to believe the existing wording does not provide an appropriate level of protection to consumers. If the FCA proposes to update the wording or format of the pre-contractual disclosures, it will consult FINMA in a timely way.

#### **Paragraph 8. Formal Dialogue between Authorities and exchange of information**

Where an issue is notified to FINMA by the relevant UK Authority, pursuant to IS Annex Section X.A.3.a, the Authorities will apply the following procedure:

- a) The relevant UK Authority will submit all relevant information without undue delay in accordance with Article 14 (4) BFSa (Supervisory Cooperation) and IS Annex Section X.A.3.a. This will include:
  - i. The name of the Covered Financial Services Supplier;
  - ii. Details of the suspected failure to comply with the requirements of the BFSa or details of any suspected risk of material harm to Covered Clients or the integrity or stability of the financial system of the United Kingdom;
  - iii. Any relevant information supporting those suspicions.
- b) FINMA will, without undue delay, acknowledge receipt. The relevant Authorities will immediately thereafter initiate, and advance, dialogue with a view to finding a commonly acceptable solution pursuant to IS Annex Section X. A.3.b.
- c) FINMA will, for this purpose:
  - i. provide the information necessary to support the assessment of the relevant UK Authority about the matters mentioned in Paragraph 8(a)(ii); and
  - ii. where appropriate, take measures to address the situation without undue delay, and inform the relevant UK Authority thereof.
- d) As part of the dialogue, the relevant UK Authority may request pursuant to Paragraph 5 Requests for assistance of the general provisions of the MoU further information or assistance reasonably required to verify and/or address the issue raised in the notice. FINMA will take all necessary actions to provide such assistance thereafter without undue delay.

For greater certainty, the procedures set out in this Paragraph do not apply to situations, falling within IS Annex Section X. A.4.i, for example urgent matters.

#### **Paragraph 9. Direct request for information**

1. In the event that a Formal Dialogue has not resolved the issue, following the initial notice or a request for further information or assistance, the relevant UK Authority may request information directly from a Covered Financial Services Supplier in accordance with IS Annex Section X.A.3.d.
2. The relevant UK Authority will so far as is reasonably practicable, taking account of the urgency of the particular circumstances, notify FINMA in advance of making the request or in urgent cases at the same time.

#### **Paragraph 10. Exercise of Host Intervention Power**

1. The relevant UK Authority, after Formal Dialogue, will notify FINMA as soon as practicable before taking a measure under the Host Intervention Power (IS Annex Section X.A.4.e). This notification will include:
  - a. The name of the Covered Financial Services Supplier to which any restrictions relate;
  - b. Details of the restrictions to be imposed;
  - c. Any other measures pursuant to IS Annex Section X.A.4.b to be implemented as part of applying the restrictions;
  - d. A summary of the reasons for the restrictions and other measures;
  - e. Any other information necessary for FINMA to understand the effect of the measure taken.

This subparagraph would not apply where there are exceptional circumstances according to IS Annex Section X.A.4.i. Instead, the Authorities will follow the procedure set out in IS Annex Section X.A.4.i.i-iii. However, the rest of this Paragraph will apply in either case.

2. Where a UK Authority takes action under the Host Intervention Power to determine arrangements for the orderly wind down of Covered Sector Activities under IS Annex Section X.A.4.b.ii it will coordinate where necessary, with FINMA. In particular, the relevant UK Authority will consult FINMA when it has significant reason to consider the wind down arrangements could affect the stability of the financial system of Switzerland.
3. Where the matter which gave rise to the exercise of the Host Intervention Power has been resolved, the relevant UK Authority will immediately review any relevant measures taken, with a view to rescinding them (IS Annex Section X.A.4.h).
4. Where a measure is taken under the Host Intervention Power, the relevant UK Authority will notify the Joint Committee as soon as practicable, and provide regular updates thereafter, including immediately upon the rescinding of any such measure (IS Annex Section X.A.4.f-j).

#### **Paragraph 11. Compliance with the BFSa**

Where, as part of its ongoing supervisory engagement with a Covered Financial Services Supplier, FINMA becomes aware that a Covered Financial Services Supplier is not compliant with the BFSa, it will take necessary action to restore compliance with the BFSa, and keep the relevant UK Authority informed about the matter without undue delay where this is likely to assist the relevant UK Authority to carry out its supervisory activities in accordance with the BFSa.