

Speech by the Chancellor of the Exchequer, Rushi Sunak, on the future relationship between the UK and Switzerland on financial services

Good afternoon – great to see you all.

For me, today's announcement is about a vision of the global economy built on openness, free trade and cooperation; a vision grounded in the values of the past but also unafraid to innovate, to move forward.

It's a vision that has always defined the UK-Swiss relationship – a relationship that is critical for the economic prospects of both our countries.

Nowhere is our relationship more important than in financial services. Nearly half of all Swiss financial services imports come from the UK; and the UK is one of the main destinations for Swiss foreign direct investment.

And as the two biggest financial centres in Europe, we also share a common governing and regulatory philosophy: I think we've both learned in recent years of the dangers of market fragmentation, and that unilateral approaches to trade in financial services just don't work.

But close as we are, it's not in the spirit of our relationship – or either of our national characters – to be content with how things are. We want to innovate, to try new things. So I'm delighted to be making two announcements today.

First, we're signing a Joint Statement committing us to begin negotiating an ambitious, outcomes-based mutual recognition agreement between the UK and Switzerland.

Our agreement will bring together government, regulators and industry to create a new and better framework for cross-border financial services, across insurance, banking, asset management and capital markets.

The benefits are clear for both countries: it should deliver lower costs, opportunities for new and better revenues, and improved cooperation between regulators.

And this agreement puts our two countries at the forefront of innovation in financial services trade – no-one's ever done anything as ambitious as this, on this kind of scale.

It shows that it is possible to achieve genuinely fluid cross-border trade in financial services, while recognising and respecting that different jurisdictions can achieve the same outcomes in different ways.

Next steps: technical work is immediately beginning in earnest, ahead of the financial dialogue on September 8th.

And I want to say a huge thank you to Councillor Maurer, and to all our partners in industry, for everything you've done to make this happen.

I'm also very pleased to announce today that we have now completed our equivalence assessment of Swiss stock markets and found them to be equivalent.

So as soon as our equivalence powers come into force, we'll lay the necessary legislation so we can start trading on each other's stock exchanges once again.

Let me make one final point to finish. These aren't the circumstances I think any of us would have chosen to be signing today's agreement.

But actually, right now, at a time when the path of least resistance for many governments is to turn inwards, to put up the shutters to global trade, it's more important than ever that countries like the UK and Switzerland, who believe in that vision of an open, trading and cooperative world, continue to demonstrate through actions, not just words, what we can achieve if we continue to work together.

Thank you.