



UK/Swiss Bilateral FPS Strategy



The Swiss see the UK leaving the EU as an opportunity to gain a powerful partner within Europe but outside the EU. This presents opportunities for the City to drive bilateral trade links and create partnerships to engage with the EU and in international fora, through focusing on improved industry-industry dialogue, further trade promotion, and addressing regulatory overlaps, with the potential to address these through the Government's new Global Financial Partnerships initiative.

Headline Objective: Shape, maximise and exploit opportunities for increased trade and investment and joint global influence with Switzerland in support of the UK FPS sector.

Current FPS trading relationship

Total value to UK: £1.9bn exports, £37.1bn stock of Swiss investment in UK FS firms

Areas of strength: established relationship, complementarity of financial centres

Potential FPS trading relationship

Potential value to UK: £17bn Swiss FS imports, £132bn stock of Swiss investment in global firms

Areas that should be developed: Innovation, regulatory cooperation, shared engagement agenda with EU, mutual

recognition of funds, private banking/wealth management

Drivers of Change, UK

Reduced EU market access

Independent trade policy

Global financial partnerships

Innovation

Drivers of Change, Switzerland

Seeking deeper post-Brexit r'ship

Seeking partner in EU dialogues

Demand for talent

Innovation

Industry dialogue re. global reg

Shared industry view on EU engagement

Understand
Swiss
experience as
3rd country

FPS t prome

Regulatory overlap

Required facilitating activity

Understand Swiss industry asks.

Inter-govt dialogue X-sector industry dialogue

Sub-sector dialogues

Not being addressed

Being addressed to some degree

Being adequately addressed

CoLC Strategic Objectives

Work with UK-based partners to proactively shape future UK-US trading relationship

Actively develop trade and investment opportunities for stakeholders

Drive shared agenda on EU & global engagement.

EDO will deliver against these objectives using a wide range of tools across the regulatory affairs and exports & investment space, aiming to deliver wide-ranging cooperative strategies with the Swiss across the piece.

Headline Objective: Shape, maximise and exploit opportunities for increased trade and investment and joint global influence with Switzerland on behalf of the UK FRPS sector.

Objectives

Work with UK-based partners to proactively shape future UK-US trading relationship by strategic engagement in the US, providing policy intelligence, convening stakeholders and helping shape the trade policy agenda.

Actively develop trade and investment opportunities for stakeholders, through understanding UK and US industry priorities and seizing emerging opportunities.

Drive shared agenda on EU & global engagement.

Tools

Regulatory Affairs

- ✓ Outbound Policy & Regulatory Visits: CPR visits Berne and Geneva.
- ✓ Inbound UK Visits: Host relevant senior delegations.
- ✓ Sector Working Groups: Swiss MAG. : IA & SFAMA Investment Roundtable
- ✓ Standalone roundtables: On specific policy developments.
- ✓ Influencing trade policy: Coordinating industry responses to consultations. Global Financial Centres /GFPs.
- ✓ Thought leadership: IRSG. Swiss MAG. Policy briefings:
 - Bilateral regulatory cooperation/MRR
 - Multilateral regulatory approaches

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Exports and Investment

- Outbound Trade Promotion Visits: LM visit to Switzerland
- ✓ Inbound Trade Visits: Host inbound trade delegations.
- Standalone roundtables: IA & SFAMA Investment Roundtable

Research Team

✓ Monitor and update – the Swiss presence in the City report.

Outputs

Investment and Exports

Export promotion strategy Inward investment strategy

Trade policy

Shape future UK/Swiss bilateral relationship.
Regulatory cooperation and coordination.
Shared global agenda.

Improved UK-Swiss FPS trading, investment & regulatory relationship

Outcome

Combined

- Cross EDO/MH engagement plan.
- ❖ Strengthen the City/UK bilateral & multilateral relationship with Switzerland.
- Strategic partnership working with Post and the Swiss Embassy in London to delivery better industry outcomes.
- Ensuring joined-up messaging.
- Focusing on complementary rather than competing activity with the Swiss.
- Combined communications strategy.

International

Working with the Swiss to pursue common global policy and regulatory aims.

The City of London Corporation has the capacity to deliver key elements of this agenda, complementing the work of others.

UK & Swiss

Governments

Swiss Government activity:

- Switzerland and the UK have a strong trading history.
- Willingness for a future UK/Swiss relationship.
- Ongoing Swiss negotiation with EU

Swiss Influence on the World Stage

Swiss experience in working to influence international organisations.

International

Organisations

Partner of choice in future global FS regulation.

HMG activity:

- Confidence in the City post Brexit
- HMT led UK-Switzerland Financial Dialogue.

HMG gaps:

- Understanding the Swiss model for trade with the EU through bilateral agreements.
- Consistent & aligned policy & and regulatory thinking on MRR.

Trade Associations

Business activity:

- Portfolio of account management relationships.
- Business retention asset management; insurance.
- Map landscape of 3rd country banks in Switzerland with potential to invest in the UK.
- Promote UK products and services to Swiss clients.

Trade Association activity:

- Decide what Swiss market opening the UK wants to achieve.
- Shared approaches to key Brexit risks: delegation; contract continuity and data flows.
- Broader sectoral analysis.
- Align messaging and promote industry asks on market access and regulatory dialogue.

COL offer distinct from government:

- COL is not a government.
- COL is politically neutral.
- COL is strongly linked with relevant HMG Swiss-facing departments (DIT and HMT).
- COL already contributes to HMG strategy-development and mechanisms.
- COL is a trusted partner.

COL offer distinct from trade associations:

- COL is not a trade association.
- COL has freedom to focus.
- COL is independent of fee paying membership.
- COL can be nimble.

COL offer distinct from business:

- COL is not a business.
- COL can take a uniquely broad scope and can present holistic arguments.
- COL does not pick winners.

Conclusion:

The City of London is well-placed to be a key partner in securing a post-Brexit trading relationship with the 20th largest economy in the world, with the seventh largest GDP per capita, which maximises mutual market access in FRPS.

The opportunity:

- The UK and Switzerland work together on the future framework for global trade and international regulatory cooperation.
- Both countries recognise the importance of the financial sector and are seeking open and free global financial markets.
- COL should shape, draw from, align and communicate trade, policy and regulatory insights with key City and Swiss stakeholders.
- Ensure the retention and expansion of Swiss investment in the UK (wealth management, FinTech, banking, insurance)
 Promote exports in key sectors cyber, fintech, insurtech, regtech, green and development finance
- Partner with the Swiss to enhance global standards and to ensure the global regulatory architecture is 'fit for purpose'.
- Maximise the opportunities offered by the City's convening power to further develop existing and new business relationships with Swiss financial institutions.

Business

The Corporation's Swiss programme will be integrated with numerous elements of the wider work of EDO, creating a mutually-reinforcing framework

Why the City? Why the EDO?

COL Corporate Plan objectives:

- Influence UK and global policy and regulation and international agreements to protect and grow the UK economy.
- Attract and retain investment and promote exports across multiple global markets.
- Strengthen international relationships to secure new opportunities for business, collaboration and innovation.
- Preserve and promote the City as a world-leading global centre for financial and professional services and commerce.
- Promote London for its competitive strengths.
- · Promote the UK as open to business and enterprise.

Specific objectives:

- Develop and strengthen access to London's most important markets.
- Ensure high regulatory standards and promote global regulatory coherence.
- Identify and address the key challenges London faces to remain a globally competitive city.
- Establish London as a market leader in innovation and use of technology.
- Ensure that London has the environment to attract investment and Green finance.
- Support and enable the movement of new FPS business into London.
- Identify and increase exports to priority markets.

