

The bilateral alternative: the Berne Financial Services Agreement

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Since the Union has offered no comprehensive solution, Switzerland has looked for bilateral arrangements with other partners. The most important is the Berne Financial Services Agreement with the United Kingdom, signed on 21 December 2023, which Part E, Chapter II and Part I, Chapter II have described. It is based on mutual recognition of outcomes and grants cross-border access in defined areas, including services to high-net-worth individuals and professional clients, investment services, asset management and insurance.¹ The agreement entered into force after ratification by both parties. Its practical use by Swiss and British firms will indicate whether outcome-based mutual recognition can serve as a template for other relationships.²

The Union has shown little interest in such a model. Its equivalence regime remains unilateral and is reserved to selected areas, so that the British approach offers no direct path to the Union market. For Basel, where most foreign clients of the banks live in Germany and France, the agreement with the United Kingdom has limited direct relevance, although it strengthens the Swiss position in asset management and in wealth management for British and international clients.³ The strategic lesson is that Swiss financial diplomacy has to operate along several tracks: securing stable relations with the Union through the package, negotiating mutual recognition with third countries and building subsidiaries inside the Union where access is indispensable.

1 Notes

1. Agreement between the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland on mutual recognition in financial services (Berne Financial Services Agreement), signed on

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21 December 2023; see the publications of SIF and HM Treasury. Status of entry into force to be verified. ↩

2. On the entry into force of the BFSa (reported for 1 January 2026) and the first experience with its application, see the publications of SIF and FINMA. Status to be verified. ↩
3. On the limited relevance of the BFSa for the cross-border client base of Basel banks, which consists predominantly of residents of Germany and France, see the discussion in Part E, Chapters I and II. Cross-reference. ↩

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