



# Memorandum of Understanding

on trilateral cooperation in the area of financial stability and financial market regulation

between the  
**Federal Department of Finance (FDF)**

and the  
**Swiss Financial Market Supervisory Authority (FINMA)**

and the  
Swiss National Bank (SNB)

on trilateral cooperation between the Swiss financial market authorities

- *In an effort to further the exchange of information and the cooperation between the FDF, FINMA and the SNB ("the Parties"),*
- *with the objective of contributing to improving and strengthening the stability of the Swiss financial system and increasing transparency with regard to financial regulatory efforts,*
- *with the intention, in the context of cooperation aimed at crisis prevention and management, of taking due consideration of the impact of their actions on the sphere of responsibility of the other Parties, and coordinating their activities,*

the Parties have agreed as follows:

## 1. Scope of application

<sup>1</sup> This Memorandum of Understanding (MoU) between the FDF, representing the Swiss Federal Council, FINMA and the SNB in the area of financial stability and financial market regulation shall apply to

- the exchange of information and views, as well as cooperation on matters relating to financial stability and financial market regulation;
- cooperation aimed at crisis prevention and management in the event of crises with the potential to threaten financial market stability.

<sup>2</sup> This MoU shall not affect the Parties' statutory responsibilities and decision-making powers.

<sup>3</sup> Bilateral agreements between the Parties shall not be affected by this MoU. Representation in the Financial Stability Board (FSB) and International Monetary Fund (IMF) has been addressed by the Parties in separate agreements.

## **2. Exchange of information and views, as well as cooperation**

<sup>1</sup> The Parties shall meet regularly for an exchange of information and views on financial stability and issues of current interest in financial market regulation.

<sup>2</sup> The exchange of information and views shall, in particular, cover the following topics:

- the macroeconomic environment;
- the situation in the financial markets and the banking sector;
- national regulatory initiatives concerning the financial markets and the banking sector;
- international regulatory initiatives and standards concerning the financial markets and the banking sector (in particular from the Basel Committee on Banking Supervision ("Basel Committee"));
- challenges and risks facing the Swiss financial centre.

<sup>3</sup> Such exchange shall take place at least twice a year between the State Secretary of the FDF, the Director of FINMA and the Vice Chairman or Vice Chairwoman of the SNB Governing Board. The FDF shall be responsible for organising the discussions, and shall draw up the agenda in consultation with the other Parties. The Head of the FDF, the Chairman or Chairwoman of the SNB Governing Board and the Chair of the FINMA Board of Directors shall meet for exchanges as necessary.

<sup>4</sup> In order, in particular, to ensure an effective and coherent representation of Switzerland's interests within the Basel Committee, the three Parties shall agree on the basis for adopting a common position with regard to activities on the formulation of standards whose translation into national law would require an amendment at Federal Council ordinance level or at federal law level. Cooperation in the context of the Basel Committee shall be organised as follows:

- The Parties shall communicate with each other in good time about activities and decisions on standard-setting matters, and shall provide each other with the requisite information;
- Each Party shall designate a contact person, who shall be responsible for the coordination and exchange of information; the information exchanged between the Parties shall – insofar as it is not in the public domain – be treated as confidential and distributed internally on a need-to-know basis;
- Meetings between the Parties shall take place several times a year for the purpose of exchanging information on current and future activities in the area of standard-setting, and for agreeing on common positions. The frequency of meetings shall be dictated by the intensity of standard-setting activities, and existing communication channels shall be used wherever possible.

<sup>5</sup> In the case of projects which meet the materiality criterion under Article 152 of the Parliament Act (ParlA) and Article 5b of the Government and Administration Organisation Ordinance (GAOO), the FDF shall consult the relevant parliamentary commissions.

### 3. Cooperation relating to financial crises

<sup>1</sup> The FDF, FINMA and the SNB shall cooperate closely on crisis prevention and management in the event of crises with the potential to threaten financial market stability. For this purpose, they shall set up a joint crisis management organisation and shall work together to prepare crisis management tools. In so doing, they shall take due consideration of the impact of their actions on the sphere of responsibility of the other Parties, and coordinate their activities.

<sup>2</sup> Strategic coordination of the crisis management organisation and of any intervention shall be performed by the **Steering Committee (SC)**.

<sup>3</sup> The SC shall be made up of the Head of the FDF, who shall chair the Committee, the Chairman or Chairwoman of the SNB Governing Board and the Chair of the FINMA Board of Directors. Meetings of the SC shall be held whenever necessary, and as a rule shall be attended by the members of the Committee on Financial Crises (CFC).

<sup>4</sup> The **Committee on Financial Crises (CFC)** is responsible for coordinating preparatory efforts and for crisis management. It commissions preparatory work for decision-making in crisis situations.

<sup>5</sup> The CFC shall be made up of the Director of FINMA, who shall chair the Committee, the State Secretary of the FDF, the Vice Chairman or Vice Chairwoman of the SNB Governing Board and the Director of the Federal Finance Administration (FFA). In non-crisis times, members shall meet once or twice a year as a rule; during a crisis, they shall meet whenever necessary. In principle, FINMA shall chair the CFC unless, instead of FINMA's supervisory and insolvency measures, the Confederation's or the SNB's measures take precedence for combating the crisis. In this case, the SC can transfer the leadership of the CFC to the FDF or the SNB.

<sup>6</sup> As a matter of general principle it shall be at the discretion of the Head of the FDF to decide when the entire Federal Council should be informed of the evaluation and necessity of measures. However, the Head of the FDF is obliged to inform the entire Federal Council immediately once the risk assessment reveals the likelihood of exceptional measures having to be taken by the authorities.

<sup>7</sup> The FDF, FINMA and the SNB shall coordinate their communications on their cooperation as stipulated in Section 3 herein, although as a rule each body shall issue separate communiqués.

### 4. Documentation and confidentiality

The committees named in this MoU shall keep records of their decisions. The Parties shall treat the exchange of information and views, as well as the cooperation as confidential.

### 5. Entry into force

This MoU shall enter into force at the time of signature, and replaces the version of 14 January 2011. Any amendments and additions to this MoU shall be valid only if made in writing and signed by the Parties.

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Bern, 2 December 2019  
Federal Department of Finance

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Bern, 2 December 2019  
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Bern, 2 December 2019  
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