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Addendum

Please note:

1. It is necessary to make changes to the proposed draft guidance in Berne Financial Services Agreement Guide (BFSAG), contained in the draft Handbook instrument in Appendix 6 of CP25/24: Amendments to implement the Berne Financial Services Agreement (BFSA).
2. Paragraph 8.6 of the QCP and paragraph 2.1.1G(2) of the proposed guidance in the BFSAG deals with how deference applies to UK insurers and insurance intermediaries where they are exercising market access rights under the BFSA.
3. BFSAG 2.1.1G(2) reads *"Where UK insurers and insurance intermediaries exercise market access rights under Annex 4, Switzerland has committed to defer to UK authorisation procedures and prudential rules. That means that those firms are not required to be authorised in Switzerland and are not required to comply with the prudential rules covered by the agreement (for these purposes, 'prudential rules' is wider than rules relating to capital requirements)."*
4. Where untied insurance intermediaries are exercising market access rights under Annex 4 of the BFSA, they will only be relieved of the obligation to comply with the localisation requirements in article 41.2.a of the Swiss [Insurance Supervision Act \(ISA\)](#) and they will need to comply with other requirements under Swiss law governing insurance intermediaries. We are therefore proposing an amendment to the guidance about deference in BFSAG 2.1.1G to clarify how deference applies to untied insurance intermediaries in line with the position above. In view of the above, the reference to "insurance intermediaries" in the second sentence of paragraph 8.6 of the QCP has been removed from the current online version of the QCP and should be disregarded in the original version of the QCP. For ease of reference, the amendment is shown on page 2 of this addendum.

Amendment to Annex F of the Berne Financial Services Agreement Instrument

Berne Financial Services Agreement Guide (BFSAG)

In this Annex, all text is new. Underlining and striking through represents amendments to the draft guidance contained in CP25/24 (Berne Financial Services Agreement Guide (BFSAG)), as detailed above.

2 **Market access rights and rules for UK insurers and insurance intermediaries**

2.1 **Annex 4 of the BFSAG**

2.1.1 G (1) ...

(2) Where *UK insurers* ~~and insurance intermediaries~~ exercise market access rights under Annex 4, Switzerland has committed to defer to *UK* authorisation procedures and prudential rules. That means that those *firms* are not required to be authorised in Switzerland and are not required to comply with the prudential rules covered by the agreement (for these purposes, ‘prudential rules’ is wider than rules relating to capital requirements).

(3) In accordance with Annex 4, Section VI, paragraph A.b.ii of the *BFSAG*, where untied insurance intermediaries exercise market access rights under Annex 4, they are relieved of the obligation to comply with the localisation requirement in article 41, paragraph 2.a of the Swiss Insurance Supervision Act of 17 December 2004. They remain subject to other requirements governing untied insurance intermediaries under Swiss law.