

Co-operation Agreement
between
the Swiss Financial Market Supervisory Authority (“FINMA”)
and
the ADGM Financial Services Regulatory Authority (“FSRA”)
regarding
co-operation for innovation in the financial sector

1 Definitions

For the purpose of this Co-operation Agreement:

“Authorisation” means the process of licensing, registering, approving, authorising or otherwise bringing an entity under either Authority’s supervisory remit so that it is authorised to carry on business in providing a financial service or issuing a financial product in the relevant Authority’s jurisdiction, and “Authorised” has a corresponding meaning;

“Authority” means FINMA or FSRA; and collectively, shall be referred to as “the Authorities”;

“Confidential Information” means any non-public information obtained by an Authority from the other Authority pursuant to this Co-operation Agreement;

“Financial Innovator” means any entity which provides or intends to provide innovative financial services in either of the Authorities’ jurisdictions.;

“FinTech” means any innovative financial technology that will be used or is intended to be used by Financial Innovators;

“Innovation Function” means the dedicated function established in each authority to support innovation in financial services in their respective markets;

“Regulations” means any regulation or regulatory requirement applicable in the jurisdiction of an Authority.

2 Purpose

- 2.1 The Authorities intend to co-operate with the aim of encouraging and enabling innovation in financial services in their respective jurisdictions and of supporting Financial Innovators in meeting the Regulations applicable in their jurisdictions. To this end, each Authority has established an Innovation Function as set forth below.
- 2.2 The Authorities believe that by co-operating with each other, innovation in financial services and investor protection will be enhanced in their respective markets.
- 2.3 Enhanced co-operation between the Authorities will facilitate the entry by Financial Innovators into, and their provision of, innovative financial services in their respective jurisdictions.

3 FinTech functions provided by the Authorities

- 3.1 FINMA encourages innovation and competitiveness in the Swiss financial market. FINMA is consistently removing unnecessary regulatory hurdles that may hinder Financial Innovators' market entry. It is also enabling Financial Innovators to have swift access to the Swiss financial market by providing specific support which includes:
 - 3.1.1 A FinTech Desk as a single point of contact for Financial Innovators;
 - 3.1.2 Specific assistance for Financial Innovators in understanding the Swiss regulatory framework and in establishing whether their business model requires Authorisation;
 - 3.1.3 A dedicated contact person for Financial Innovators during the pre-Authorisation or Authorisation process or both;

FINMA provides support to all Financial Innovators irrespective of whether they are domiciled in Switzerland or abroad.

- 3.2 The FSRA launched the Regulatory Laboratory (“RegLab”) in November 2016 to provide a controlled environment for Innovator Businesses to develop and test innovative solutions that promote efficiency and consumer choices in the financial sector, and to support FSRA in the development of risk-appropriate and effective regulations for such innovation.
- 3.3 The FSRA also performs an ecosystem development role by connecting industry participants with Fintechs and relevant government departments; promoting the development of technology-specific human capital in financial services; participating in projects to solve industry challenges.

Principles for co-operation

- 3.4 The Authorities agree to co-operate for the purpose and within the scope of this Co-operation Agreement.
- 3.5 This Co-operation Agreement is a statement of intent of the Authorities and accordingly does not create any enforceable rights or any binding legal obligations, and does not fetter the discretion of the Authorities in any way in the discharge of their respective functions. This Co-operation Agreement is subject to the domestic laws and Regulations of each Authority and does not modify or supersede any laws or Regulations in force and/or applicable in Switzerland or in Abu Dhabi.
- 3.6 This Co-operation Agreement is intended to complement, but not affect or alter the terms and conditions of any other multilateral or bilateral arrangements that are or will be concluded between the Authorities or between the Authorities and third parties.

4 Scope of co-operation

Information sharing

- 4.1 The Authorities intend, as appropriate, to exchange information about:
 - 4.1.1 Regulatory and policy issues on innovation in financial services;
 - 4.1.2 Emerging market trends and developments pertaining to innovation in financial services; and
 - 4.1.3 Any other relevant issues on FinTech.

Dialogue on FinTech and Innovative Financial Services

- 4.2 Representatives of the Authorities intend to meet or hold conference calls, where necessary, to discuss issues of common interest and share their experience in FinTech and innovative financial services.
- 4.3 Representatives of Financial Services Innovators may be invited to such meetings or conference calls provided both Authorities participating in the relevant discussion agree to the invitation being extended to those representatives.

Expertise sharing

- 4.4 Each Authority may allow its staff, as appropriate, to give presentations and conduct training sessions for the other Authority to share expertise and knowledge.

5 Permissible use of information and confidentiality

- 5.1 The Authorities confirm that all persons dealing with, or having access to, Confidential Information are bound by the obligation of professional or official secrecy.
- 5.2 The Authorities agree to use Confidential Information disclosed to it by the other Authority only for the purposes for which the Confidential Information was disclosed.
- 5.3 If an Authority intends to use or disclose any Confidential Information for purposes other than those for which such Confidential Information was provided the Authority should seek prior written consent from the Authority that provided the information.
- 5.4 If an Authority is required by law to disclose any Confidential Information without obtaining prior written consent from the other Authority, the Authority that is required to make the disclosure should make its best efforts to protect confidentiality, use all reasonable legal means to resist disclosure and inform the other Authority to the extent possible and without undue delay of the disclosure.

6 Contact points

- 6.1 To facilitate co-operation under this Co-operation Agreement, each Authority will designate a contact point as specified in Appendix 1.

7 Entry into force, amendments and termination

- 7.1 This Co-operation Agreement will enter into force on the date of execution.
- 7.2 This Co-operation Agreement may be amended in writing if both Authorities agree in writing to do so.
- 7.3 Either Authority may terminate the Co-operation Agreement by giving 30 days' advance written notice to the other Authority.
- 7.4 In the event of termination, Confidential Information obtained under this Co-operation Agreement should continue to be treated in accordance with Article 6.

For FINMA

Michael Loretan
Head of Asset Management Division

Date:

Rupert Schaefer
Head of Strategic Services

Date:

For FSRA

Richard Teng
Chief Executive Officer

Date:

Appendix 1 – Contact points

For FINMA:

FinTech Desk

Swiss Financial Market Supervisory Authority FINMA

Laupenstrasse 27

3003 Bern

Switzerland

Email: fintech@finma.ch

Tel: +41 31 327 16 16

For FSRA:

Regulatory Laboratory

Abu Dhabi Global Market

Financial Services Regulatory Authority

ADGM Square

Al Mariyah Island

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Email: fintech@adgm.com