



# Swiss–UK relations post Brexit

July 2019

**The United Kingdom is an important partner for Switzerland, economically, politically and in terms of migration. At present, relations between Switzerland and the UK are largely based on the bilateral agreements with the European Union, which will cease to apply to the UK after its withdrawal from the EU (possibly after a transition period). Switzerland wishes to ensure that its close relationship with the UK, based on existing mutual rights and obligations, will be maintained as far as possible after the UK leaves the EU and expanded where necessary ('Mind the gap' strategy). To this end, Switzerland has entered into a series of new agreements with the UK in relation to trade, migration, road and air transport and insurance.**

## Chronology

- 31.10.2019 New exit date (latest) following postponement of withdrawal
- 10.07.2019 Signing of the temporary Agreement on mutual access to the respective labour market
- 29.03.2019 Exit date originally set
- 25.02.2019 Signing of the citizens' rights Agreement
- 11.02.2019 Signing of the trade Agreement
- 25.01.2019 Signing of the insurance agreement and the overland transport Agreement
- 17.12.2018 Signing of the air transport Agreement
- 29.03.2017 Formal notification by the UK to the EU of its decision to withdraw from the EU under Article 50 of the Treaty on European Union
- 19.10.2016 Federal Council adopts 'Mind the gap' strategy
- 23.06.2016 UK's referendum on withdrawal from the EU (leave: 51.9%)

## Switzerland–UK relations

Relations between Switzerland and the UK are close and multifaceted. In 2018, the UK was Switzerland's sixth biggest export market (CHF 9.4 billion) and the eighth largest source of Switzerland's imports (CHF 7.7 billion). The UK is Switzerland's sixth fourth largest direct investor (based on 2017 figures). Around 58,600 flights a year connect Switzerland and the UK; Germany is the only country with which Switzerland has more flight connections. 35,412 Swiss citizens live in the UK and 41,375 British citizens live in Switzerland.

## Negotiations on the UK's exit from the EU

After the British electorate voted in favour of leaving the EU ('Brexit') in a referendum on 23 June 2016, the British government formally notified the EU of its withdrawal decision on 29 March 2017. This triggered a two-year period for negotiations with the EU on the conditions for an orderly withdrawal on 29 March 2019.

In November 2018, the British government and the EU reached a withdrawal agreement, which included a transition period running until the end of 2020 (with the option to extend this by one to two years, subject to the approval of both parties). During this transition

period, the UK would remain part of the EU single market and customs union (but without codecision rights). EU third-country agreements, for example the Switzerland–EU bilateral agreements, would also continue to apply to the UK. A joint declaration on long-term future relations was published as well. The agreement requires parliamentary approval from both sides. After the House of Commons (UK) voted against the agreement several times, an agreement was reached with the EU to extend the withdrawal date to 31 October 2019 at the latest. The British Parliament is continuing to debate the withdrawal agreement and the wider future of EU–UK relations.

## Consequences for Switzerland of Brexit

At present the very close relations enjoyed by Switzerland and the UK are largely based on the bilateral agreements between Switzerland and the EU. After Brexit, these agreements will cease to apply to the relationship between Switzerland and the UK and will have to be replaced by new agreements. Through these new agreements, Switzerland wishes to ensure that the existing mutual rights and obligations in its relationship with the UK will continue to apply as far as possible after the UK leaves the EU, and to expand them where necessary in certain areas. The Federal Council adopted its 'Mind the Gap' strategy early on,

in October 2016. On the Swiss side, this work is coordinated by a steering group consisting of representatives of the federal departments concerned, headed by the Directorate for European Affairs. On the UK side, work is coordinated by the Department for Exiting the European Union.

In April 2018 the Federal Council clarified its 'Mind the gap' strategy, deciding that the possibility of temporarily continuing third-country agreements during the above-mentioned EU–UK transition period, in the case of an orderly withdrawal, is also to be applicable to Swiss–UK relations (deal scenario). This would require formal mutual notification to that effect between the EU and Switzerland. The bilateral agreements between Switzerland and the EU would therefore continue to apply to Swiss–UK relations from the withdrawal date until the end of the transition period. This would extend the time frame for agreement on the future relationship between Switzerland and the UK. Nevertheless, such a temporary extension of the bilateral agreements between Switzerland and the EU would require parliamentary approval from both sides and ratification of the UK's EU withdrawal agreement.

The Federal Council is also preparing in close cooperation with the UK for the possibility that the withdrawal agreement might not be ratified (no-deal scenario). Even in this case of a disorderly withdrawal, the existing rights and obligations between Switzerland and the UK are to be preserved as far as possible.

### **New Switzerland–UK agreements**

With this in mind, Switzerland has drawn up new agreements with the UK which will apply when the bilateral agreements between Switzerland and the EU no longer apply to the UK (whether under a deal or no-deal scenario).

The new **trade agreement** (signed on 11 February 2019) makes it possible to replicate in substance the majority of economic and trade agreements with the EU in the future relationship between Switzerland and the UK. This includes the 1972 Free Trade Agreement, the Agreement on Government Procurement, the Agreement on Combating Fraud, part of the Agreement on Mutual Recognition in relation to Conformity Assessment (MRA) (namely the three chapters on motor vehicles, good laboratory practice, and good manufacturing practice for medicinal products) and part of the 1999 Agreement on Agriculture. Some agreements between Switzerland and the EU are based on the harmonisation of regulations between Switzerland and the EU and at present cannot (or can-

not fully) be incorporated into the relationship between Switzerland and the UK (namely the 2009 Agreement on Customs Facilitation and Security, certain sections of the Agreement on Agriculture, including the annex on the veterinary agreement, and certain sectors under the MRA). The agreement also provides scope for exploratory talks on the further development of trade relations.

An **overland transport agreement** signed on 25 January 2019 ensures that carriers will continue to be exempted from obtaining permits to transport freight by road between Switzerland and the UK, and that reciprocal road access for transporting goods and passengers will also be maintained. The agreement still prohibits cabotage, i.e. the transport of goods or passengers within the territory of the other state. A new **air transport agreement** signed on 17 December 2018 will preserve the existing air traffic rights.

The **insurance agreement** signed between Switzerland and the UK on 25 January 2019 guarantees freedom of establishment for insurance companies in the field of direct insurance other than life insurance and thus incorporates the terms of the 1989 agreement on insurance between Switzerland and the EU.

In relation to **migration**, Switzerland and the UK signed a citizens' rights agreement on 25 February 2019. If the free movement of persons ceases to apply to the UK, this new agreement will protect the rights of Swiss citizens living in the UK – which they acquired under the Agreement on the Free Movement of Persons (AFMP) – such as residency and social security rights and the recognition of professional qualifications. Reciprocal conditions will apply to UK citizens in Switzerland.

For people wishing to migrate from Switzerland to the UK or vice versa after the AFMP ceases to apply, the Federal Council signed an agreement on 10 July 2019 on admission to the respective labour market. This agreement will only come into force in the event of an EU withdrawal without an agreement (no-deal scenario) and it is limited until 31 December 2020. For the duration of this period, it eases the admission requirements for citizens of one country wishing to take up gainful employment in the other<sup>1</sup>. The agreement also foresees in individual cases a temporary waiver of the obligation to test professional qualifications, to implement the prioritisation of the domestic workforce, and to consider the general economic

<sup>1</sup> Under a no-deal scenario, UK citizens in Switzerland would in principle be treated on an equal footing with non-EU citizens and thereby subject to the admission requirements of the Foreign Nationals and Integration Act (FNIA)

interests. The agreement states that the number of UK citizens admitted to live in Switzerland will be determined by quotas, to be set annually by the Federal Council<sup>2</sup>. Likewise, Swiss citizens wishing to stay in the United Kingdom for longer than three months would have to register and would be given a three-year residence permit. This fallback solution mitigates the effects of an abrupt switchover from the free movement of persons to the rules for non-EU citizens and creates legal and planning certainty for Swiss businesses. Regardless to the afore-mentioned agreements, UK citizens would continue to be exempt from any visa requirement once the UK leaves the EU. Similarly, the UK has given assurances that Swiss citizens will also remain exempt from the requirement to obtain a visa.

Parliamentary approval is required for the new trade agreement and the agreement on migration. In the event of a disorderly withdrawal of the UK from the EU, the agreements would therefore have to apply provisionally. The foreign affairs committees of the National Council and the Council of States were con-

sulted in accordance with the Parliament Act and approved this course of action.

The above new agreements would come into immediate effect only in the case of a disorderly withdrawal. If there is a transition period, the bilateral agreements between Switzerland and the EU will continue to apply to the UK. The new agreements (apart from the fallback arrangements for prospective immigrants) would enter into force only at the end of the transition period. If this occurs, Switzerland's new trade and migration-related agreements with the UK could be supplemented with other provisions depending on how the relationship between the UK and the EU develops. Brexit-related preparations are also under way in other areas that will not require new agreements (e.g. data protection). Here too, the aim is to ensure legal continuity.

---

<sup>2</sup> The Federal Council already ruled on 22 March 2019 on separate quotas for British citizens in the event of a no-deal Brexit (2,100 'B' residence permits and 1,400 'L' short-stay permits); [Link Press release](#).

**Link to PDF**

[www.fdfa.admin.ch/europe/brexit\\_en](http://www.fdfa.admin.ch/europe/brexit_en)

**Further information**

Directorate for European Affairs DEA

Phone +41 58 462 22 22, [europa@eda.admin.ch](mailto:europa@eda.admin.ch)

[www.fdfa.admin.ch/europe\\_en](http://www.fdfa.admin.ch/europe_en)