



## **A harmful escalation should be avoided**

economiesuisse asks the Federal Council and the EU Commission to take concrete steps to stabilise the bilateral economic relations. The impending end of granting the stock market equivalence to Switzerland is a political measure by the European Commission which should be avoided.

Today, the EU-Commission has not taken a decision to extend the stock market equivalence to Switzerland beyond the end of June 2019. In view of the recent developments in the negotiations for an institutional framework agreement between Switzerland and the EU, this was to be expected. This development is a severe setback for the bilateral economic relations which have proven to be very beneficial for both sides. Without an extension of the stock market equivalence by the EU, Switzerland has announced to enact a contingency measure to protect Swiss stock exchange infrastructure by 1st July 2019. The federal ordinance will introduce a new Swiss recognition obligation for foreign trading venues that admit Swiss shares to trading. In that case, EU trading venues would not receive this recognition.

economiesuisse deplores the current developments as they bear the risk of escalating, politically motivated measures between the EU and Switzerland. Such measures would also make it more difficult to start procedures to ratify the institutional framework agreement on the Swiss side.

Instead of creating further political and economic damages to the bilateral relationship in the coming weeks and months through escalating measures, economiesuisse calls the Federal Council and the European Commission to stabilise the bilateral business relations. economiesuisse urges both sides to

further clarify the remaining open points about the institutional agreement and to finalise the discussions as soon as possible in order to start the ratification process.

For both sides, too much is politically and economically at stake: As no other third country, Switzerland is benefitting from direct access to the EU Single Market. After the U.S.A. and China, our country is the third most important business partner of the EU.