

Cooperation Agreement
between
the Swiss Financial Market Supervisory Authority ("FINMA")
and
the Capital Markets Insurance and Savings Authority ("CMISA")
and
the Israel Securities Authority ("ISA")
and
the Bank of Israel ("BOI")
regarding
Cooperation for Innovation in the Financial Sector

Article 1 Definitions

For the purpose of this Cooperation Agreement:

- a) "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.
- b) "Authority" means the FINMA or CMISA or ISA or BOI; and collectively, shall be referred to as "the Authorities"
- c) "BSD" means the Banking Supervision Department at the BOI; and any reference in this Cooperation Agreement to the BOI, including any reference to an "Authority" which is relevant to the BOI, shall be in the context of the authorities and functions of the BSD set by the Israeli law.
- d) "Confidential Information" means any non-public information obtained by an Authority pursuant to this Cooperation Agreement.
- e) "Financial Innovator" means any entity which provides or intends to provide Innovative Financial Services in either of the Authorities' jurisdictions.
- f) "FinTech" means any innovative financial technology that will be used or is intended to be used by Financial Innovators.
- g) "Innovative Financial Services" means any services that are provided by means of FinTech.



h) "Regulations" means any regulation or regulatory requirement applicable in the jurisdiction of an Authority.

Article 2 Purpose of the Cooperation Agreement

1. The Authorities intend to cooperate with the aim of encouraging and enabling innovation in their respective financial services industries and of supporting Financial Innovators in meeting the Regulations in each others jurisdictions as may be required to offer Innovative Financial Services in the respective financial markets. To this end, they have established or will establish a specific FinTech-friendly environment and specific FinTech functions, as set forth below.
2. The Authorities believe that by cooperating with each other, innovation in financial services, investor protection and subsequently competitiveness will be enhanced in their respective markets.
3. Enhanced cooperation between the Authorities is intended to facilitate Financial Innovators to enter and provide Innovative Financial Services in the other jurisdiction.

Article 3 FinTech functions provided by the Authorities

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:
 - a) A FinTech Desk as a single point of contact for Financial Innovators;
 - b) Specific assistance for Financial Innovators in understanding the Swiss regulatory framework and in establishing whether their business model requires Authorisation;
 - c) 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.

2. CMISA is set to promote and enable the technological and business innovation in the area of financial services. CMISA published its digital vision in which CMISA encourages initiatives and



investments in FinTech and in current existing process. CMISA assigned a dedicated contact person that is in charge for:

- a) Facilitate the relevant Israeli regulatory regime for Fintech and InsureTech innovators. At the same time, CMISA removes regulatory hurdles that might hinder financial innovation.
 - b) Specific assistance for Financial Innovators in understanding the Israeli regulatory framework.
 - c) Transfer CIMSA's database to open sources.
 - d) Support innovators during the pre-Authorisation or Authorisation process or both.
3. ISA is set to promote and enable the technological and business innovation in the area of financial services. ISA will assign a dedicated contact person that will be in charge for:
- a) Specific assistance for Financial Innovators in understanding the Israeli regulatory framework as well as supervisory practices and how they apply to them.
 - b) Support Financial Innovators during the pre-Authorisation or Authorisation process or both.

ISA regularly screens and reviews the relevant Israeli regulatory regimes applicable to Fintech and considers adjusting the Regulations, in different ways, including by way of interpretation, all for the purpose of enabling and promoting Fintech.

4. **The BSD**, at the BOI, encourages competitiveness and technological innovations for banking services. The BSD established a Technology and Innovation Division to support the major technological innovations taking place and those anticipated for the coming years. This Division also serves as a proactive and professional guide for the banks and the credit card companies in navigating the technological changes.
- a) BSD will assign a contact person who will be in charge of assisting Financial Innovators in understanding the Israeli regulatory framework;
 - b) BSD will consider removing any unnecessary regulatory hurdles that may hinder financial innovation;
 - c) BSD will support the Financial Innovators during the pre-Authorization or Authorization process.

Article 4 Principles for cooperation



1. The Authorities agree to cooperate for the purpose and within the scope of this Cooperation Agreement.
2. This Cooperation Agreement is a statement of intent of the Authorities and accordingly does neither create any enforceable rights nor is it intended to create any binding legal obligations, or to fetter the discretion of the Authorities in any way in the discharge of their functions. This Cooperation Agreement is subject to the domestic laws and regulations of each Authority and does not modify or supersede any laws or regulatory requirements in force or applicable in Switzerland or in Israel.
3. This Cooperation Agreement is intended to complement, but not affect or alter the terms and conditions of any other multilateral or bilateral arrangements concluded between the Authorities or between the Authorities and third parties.

Article 5 **Scope of cooperation**

1. Information sharing

The Authorities intend, as appropriate, to exchange information about:

- a) Regulatory and policy issues on innovation in financial services;
- b) Emerging market trends and developments;
- c) Any other relevant issues on FinTech.

2. Support to Financial Innovators

Each Authority will provide Financial Innovators originating from the other jurisdiction with the same level of support that it provides to Financial Innovators originating from its own jurisdiction. The support offered by the Authorities to Financial Innovators includes:

- a) A dedicated team and/or a dedicated contact for Financial Innovators;
- b) Help for Financial Innovators to understand the regulatory framework in the relevant Authority's jurisdiction, and how it applies to them;
- c) Assistance during the pre-Authorisation application phase to:
 - i. Discuss the Authorisation application process and any regulatory issues that the Financial Innovator has identified; and
 - ii. Help the Financial Innovator to understand the relevant Authority's regulatory regime and what it means for them.
- d) Support during the Authorisation process, including the allocation of Authorisation staff to consider the application that are knowledgeable about financial innovation in their respective markets.

3. Dialogue on FinTech and Innovative Financial Services

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.

Representatives of Financial 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 the representatives of Financial Innovators.

4. *Expertise sharing*

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

Article 6 Permissible use of information and confidentiality

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.
2. The Authorities agree to use Confidential Information disclosed to it by the other Authorities only for the purposes for which the Confidential Information was disclosed.
3. If an Authority intends to use or disclose any Confidential Information provided to it by the other Authorities for purposes other than those for which such Confidential Information was provided, the Authority should seek prior written consent from the other Authorities, which provided the information.
4. If an Authority is required by law to disclose any Confidential Information provided to it by the other Authorities without obtaining prior written consent from the other Authorities, the Authority which 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 Authorities to the extent possible and without undue delay of the disclosure.

Article 7 Contact points

To facilitate cooperation under this Cooperation Agreement, each Authority will designate a contact point as specified in Appendix A.

Article 8 Entry into force, amendments and termination

1. This Cooperation Agreement will enter into force on the date of execution.
2. This Cooperation Agreement may be amended in writing if the Authorities agree in writing to do so.
3. Either Authority may terminate the Cooperation Agreement by giving 30 days' advance written notice to the other Authorities.
4. In the event of termination, Confidential Information obtained under this Cooperation Agreement should continue to be treated in accordance with Article 6.



For the Swiss Financial Market Supervisory Authority FINMA

Signed in Bern on 1 September 2017 Signed in Tel Aviv on 4 September 2017

For the Capital Markets Insurance and Savings Authority

Signed in Tel Aviv on 4 September 2017

For Israel Securities Authority

Signed in Tel Aviv on 4 September 2017

For the Bank of Israel

Signed in Jerusalem on 22 May 2018

Appendix A

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 the CMISA:

Information Technology Department
Capital Markets Insurance and Savings Authority
Am V'olamo 4
JERUSALEM
ISRAEL

Email: elito@mof.gov.il

Tel: +972 2 6211430

For the ISA:

International Affairs Department
Israel Securities Authority
Kanfei Nesharim 22
JERUSALEM
ISRAEL

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For the BOI:

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