

FAQs on Swiss Linking

FAQ on Swiss Linking Part 2 v2

Note for website: Part 1 of these FAQ was published in October. Part 2 is supplementing part 1. Both parts should be read together.

General: The EU-Swiss Linking Agreement

1. What does compatibility of the systems mean?

Pursuant to Article 25(1a) of Directive 2003/87/EC, an agreement that provides a link with the greenhouse gas emissions trading system of a third country can be concluded provided that the system in the other country is compatible, mandatory and has an absolute emissions cap. While “compatibility” as such is not defined in the Linking Agreement between the EU and Switzerland, compliance of both sides with the essential criteria annexed to the Linking Agreement is considered a necessary and sufficient condition to establish “compatibility” of the EU and the Swiss ETS.

Among other things, the essential criteria define the ambition and the stringency of the cap, ensure a level playing field in terms of free allocation and methodologies applied to free allocation as well as the use of international credits and many more important features that are considered to bring about compatibility of both systems.

2. Which allowances will be eligible for compliance in the linked systems?

In accordance with Article 4(1) of the Linking Agreement (LA), all emission allowances eligible for compliance in one system will be eligible for compliance in the other system. This means that EU operators can use Swiss allowances and Swiss operators can use EU allowances to compensate their emissions. However, currently applicable restrictions in the EU ETS will continue to apply in 2020: aviation allowances, no matter whether issued in the EU or Swiss ETS, cannot be used for compliance with 2020 emissions of stationary operators in either system (restricted fungibility). It is also important to note that 2020 emissions (last year of phase 3 in the EU ETS and phase 2 in the Swiss ETS) can only be compensated by allowances issued for 2020 or earlier, i.e. in phase 3 of the EU ETS and phase 2 of the Swiss ETS.

3. Which units (type of allowances) will be available in the linked systems?

In 2020, there will be four types of allowances available from the linked market: EU general allowances, EU aviation allowances, Swiss general allowances and Swiss aviation allowances. They are fully fungible, subject to the restriction set out in question 2.

4. Which emissions can be compensated following the entry into force of the LA and why not 2019 emissions?

Emissions accruing in 2020 are the first to be compensated under the linked system. Consequently, operators can use allowances issued in both systems for 2020 or earlier for compliance with 2020 emissions. Restricted fungibility as described in question 2 applies.

5. Why is there a restricted fungibility in 2020 and how will this change in 2021?

Article 13 of Directive 2003/87/EC states that

- allowances issued from 1 January 2013 onwards shall be valid indefinitely and that
- allowances issued from 1 January 2021 shall be valid for emissions from the first year of the ten-year period in which they are issued.

As a consequence, 2020 emissions can only be compensated by allowances issued for 2020 or earlier.

Full and unrestricted fungibility among all allowances for surrendering emissions will apply as from 2021 in the EU ETS: pursuant to Art 12(3) of Directive 2003/87/EC, stationary operators may also use aviation allowances for surrendering after 30 April 2021, i.e. to compensate their 2021 emissions in April 2022 and onwards.

The Swiss government has proposed full and unrestricted fungibility in its draft CO2 act for the period post-2020.

Legislation and compatibility of systems

6. *How is compatibility ensured after 2020?*

Annex I of the Agreement lays down the essential criteria that both sides have to comply with to ensure compatibility of the systems and implement the Linking Agreement. They concern the inclusion of stationary and aircraft operators, the operation of the respective registries as well as the auctioning of emission allowances.

Annex I to the Agreement will be reviewed by the Joint Committee established by the Agreement between the European Union and the Swiss Confederation on the linking of their greenhouse gas emissions trading systems¹ to maintain the current compatibility of the EU ETS and the ETS of Switzerland for the period as from 2021. The Joint Committee will ensure that the revision of Annex I to the Agreement safeguards and ensures the integrity and compatibility of the linked systems. Carbon leakage and distortion of competition between linked systems will be avoided.

7. *Which legislation ensures compatibility?*

In the EU, pursuant to Article 25 of Directive 2003/87/EC, arrangements may be made to provide for the recognition of allowances between the EU ETS and compatible mandatory greenhouse gas emission systems. The Linking Agreement with Switzerland represents the first example in this respect. Directive (EU) 2018/410 introduced changes to the EU ETS to make it fit for the period 2021 – 2030. These changes have to be reflected in the Linking Agreement to maintain the compatibility between the EU ETS and the Swiss ETS.

In Switzerland, the Agreement is legally implemented with amendments to the CO2 Act and the CO2 Ordinance, namely to newly include aviation in the Swiss ETS. These amendments come into force on 1 January 2020. In order for the linking to continue to apply after 2020, the necessary provisions are to be included in the completely revised CO2 Ordinance for the years 2021-2030. This will be based on the fully revised CO2 Act, which is currently under discussion in the Swiss Parliament.

Dispute settlement

8. *How does the dispute settlement work?*

Pursuant to Article 14 of the Agreement, the Joint Committee shall aim to settle disputes on the interpretation or application of the Linking Agreement. Where the Joint Committee is unsuccessful in settling the dispute, it will be referred, at the request of either of the Parties, to the Permanent Court of Arbitration in accordance with the Permanent Court of Arbitration's Rules of 2012.

¹ OJ L 322 of 7.12.2017, p. 3.

Suspension of the agreement

9. What does suspension of the agreement mean?

Pursuant to Article 15 of the Agreement, a Party may suspend the mutual recognition of emission allowances (Art. 4(1)) under specific conditions: (i) if it considers the other Party not to comply with certain obligations of the Agreement, namely the essential criteria laid out in the Annexes, (ii) if it is notified by the other Party of its intention to link its ETS to that of a third Party, or (iii) if it is notified by the other Party of its intention to terminate the Agreement. During the suspension, allowances may not be surrendered for compliance in an ETS from which they do not originate. All other transactions will remain possible. A Party must notify its decision to suspend Article 4(1) of the Agreement in writing to the other Party. The decision to suspend Article 4(1) of the Agreement will be made public immediately after the notification to the other Party. The suspension of Article 4(1) of the Agreement must be temporary. Where Article 4(1) is suspended based on the condition (i), the suspension must end with the settlement of the dispute (see question d). Where Article 4(1) is suspended based on the condition (ii) or (iii), the suspension will be of a temporary duration of 3 months. The Party (that notified its decision to suspend) may decide to shorten or extend the duration of the suspension.

Linking with third parties

10. Is linking with third parties possible after the entry into force of the Linking Agreement?

Linking with other parties remains possible after the entry into force of the Linking Agreement. The right of each Party is preserved to enter into negotiations with a third Party with a view to linking their respective ETS. However, where a Party (in the following: Party A) decides to negotiate linking its ETS with a third Party, it has to officially notify the other Party (in the following: Party B) thereof and regularly inform it on the status of the negotiation. If Party B considers this not to be the case, Party B may suspend the mutual recognition of allowances of either Party for surrendering in either system laid down in Article 4(1) of the Linking Agreement. However, Party B may already choose to suspend Article 4(1), once it is officially notified by Party A of its intention to link its ETS to that of a third Party (see above). Before the linking of the ETS of Party A with the ETS of a third Party takes place, Party B must decide whether it accepts the other Linking Agreement (in this case, the provisions of the Linking Agreement between the EU and Switzerland may be revised) or whether it terminates the EU-Switzerland Linking Agreement.

Amendments to Annexes

11. Why is there a chapeau text inserted in Annex I “Part A. Essential Criteria for Stationary Installations”?

The text inserted on the top of “Part A. Essential Criteria for Stationary Installations” of Annex I to the Linking Agreement entails the obligation for the Parties of the Linking Agreement to review Part A of Annex I. The objective of the review is to maintain the compatibility of the EU and the Swiss ETS in the period after 2020 that has been ensured by the latest amendments to the Annexes to the Linking Agreement for the year 2020². The relevant Swiss legislation that provides for the necessary regulatory framework for the trading period starting in 2021 (Phase 4 of the EU ETS, Phase 3 of the Swiss ETS) is not yet adopted. Therefore, it was not possible to

² See Decision 2/2019 of the Joint Committee established by the Agreement between the European Union and the Swiss Confederation on the Linking of their Greenhouse Gas Emissions Trading Systems, available from https://ec.europa.eu/clima/sites/clima/files/ets/markets/docs/decision_201902_swiss_ets_linking.pdf

adjust the criteria in Part A of Annex I to the prevailing features of the EU ETS in the period 2021 – 2030 already by December 2019.

Part B of Annex I on aviation that will be included in the Swiss ETS as from 2020 already ensures the necessary compatibility between the EU and the Swiss ETS for the aviation sector.

12. Why is the scope of the amendment to the Annexes as amended by Decision 2/2019 of the Joint Committee restricted to 2020?

The amendments accruing from Decision 2/2019 of the Joint Committee only cover the period by 31 January 2020. On 1 January 2021, the 4th trading period of the EU ETS (in Switzerland the 3rd trading period of the Swiss ETS) will start and bring along new provisions laid down in Directive 2003/87/EC as amended by Directive (EU) 2018/410, such as an increased linear reduction factor or new rules for free allocation. The Swiss government has proposed legislation that will establish compatibility between the EU and the Swiss ETS for the period after 2020. This legislation is, however, still subject to the relevant legislative procedures and can therefore not yet be enshrined in the Annexes to the Linking Agreement. For this reason, the latest amendments to the Annexes of the Linking Agreement only cover the period till end of 2020, for which the Swiss Parliament had adopted legislation in March and November 2019.

In order to ensure the compatibility between the linked systems, it will be necessary to amend the essential criteria laid down in Annex I Part A (stationary installations) of the Linking Agreement again.

It should not be excluded that the corresponding decision of the Joint Committee will not be taken before the end of 2020, but as soon as possible in 2021. This does not affect the functioning of the Linking Agreement.

Transparency

13. Which information will be published?

Regulation (EU) 389/2013 requires the publication of certain data stored in the Union Registry. Data relating to the linked ETS (transactions, free allocation, emissions, compliance, etc.) will be published along the same principles. In accordance with point 4a of Annex XIV to this Regulation, aggregate data on the linking (holdings, transfers in and out and use for compliance obligations) will be published once each year, on 1 May.

Registry link and transfer of allowances

Transactions/transfers

14. Why is there a provisional solution and why will it be in place only in May 2020 or thereafter?

Establishing the permanent direct link is a complex and technically challenging exercise. Maintaining the security of both systems is the very first and basic requirement to fulfil. In order to enable the trading between the two systems, even before a permanent direct link between the registries can be established, it was decided that a provisional solution should be implemented, which immediately ensures the required level of security. In view of the Corona pandemic, September 2020 is the earliest, technically feasible date to achieve this goal.

15. From when is it possible to transfer Swiss allowances to the EU registry and the other way around?

From the date of the establishment of the provisional solution, the transfer of emission allowances between the two systems will be possible. The foreseen date is September 2020, but the exact date of the launch will be published in due time.

16. How does the provisional solution work?

Transactions to the other system (registry) are initiated and validated in both systems according to existing rules, i.e. usual delays of at least 24 hours to certain transactions are applied. The transactions are then sent for execution, with a predefined frequency, via the provisional solution to the other system for execution. The other system then will confirm the execution, again via the provisional solution. The registries are not directly linked; they only exchange execution and verification messages on predefined dates. The confirmation of the execution of a transaction happens on the same date as its communication for execution via the provisional solution.

17. How often will it be applied?

The provisional solution will be applied on a regular basis. The exact dates will be established and communicated to the market in advance. Since the major share of transfers in the Union Registry occurs in specific parts of the year, the frequency will be increased in these well-defined peak periods (non-exhaustive examples are the compliance deadline (30 April) and the week of delivery of allowances under December futures contracts).

18. How does it affect trading?

The provisional solution will be closely aligned with the estimated frequency of transfers. The impacts on the financial market will therefore be minimal. Nevertheless, the market participants are advised to take the provisional solution into account when constructing conditions in the relevant contracts.

19. Why is there a minimum delay between initiation and execution of transfers?

Ensuring the high level of security of both systems requires that transactions are not communicated immediately and continuously for execution.

Penalties

20. Do penalties in the EU and Swiss ETS provide for the same level?

Annex I, part A, essential criterion 11 lays down the penalties provided in either ETS, which are considered compatible with each other. In the EU ETS, where an insufficient number of allowances is surrendered, an excess penalty of EUR 100 per each tonne that is not covered by the number of surrendered allowances will need to be paid. This does not release the operator from the obligation to surrender a sufficient amount of allowances. In the Swiss ETS, operators must pay 125 francs per tonne CO₂ equivalent (CO₂eq) for emissions that are neither covered by emission allowances nor, if permitted, by international credits.

Aviation

Scope

21. What is the effect of the Linking Agreement on Aircraft Operators?

The Linking Agreement also covers the aviation sector. Inclusion of aviation activities in the ETS of Switzerland reflects the same principles as those of the EU ETS, in particular with regard to coverage, cap and allocation rules (Art. 6 LA). Aircraft operators will need to report CO₂ emissions and to surrender allowances for the flights between the EEA and Switzerland and for Swiss domestic flights. They can surrender EU Aviation Allowances and Swiss Aviation Allowances interchangeably for obligations accruing from both systems (as well as general allowances from either System). However, since the scope of the two systems is not overlapping, the compliance is calculated separately for them. Each flight belongs to one system only.

22. How is the scope of the EU ETS affected by the linking? What is the scope of the Swiss ETS?

Flights departing from an aerodrome situated in the EEA and landing on an aerodrome situated in Switzerland are within the scope of the EU ETS, as determined by the stop-the-clock decision³. These emissions need to be reported in the scope of the EU ETS as from 2020 similarly to intra-EEA flights and allowances need to be surrendered against them.

Flights departing from an aerodrome situated in Switzerland, and landing on an aerodrome situated in the EEA or in Switzerland are within the scope of the Swiss ETS. These CO₂ emissions need to be reported as from 2020 and allowances need to be surrendered against them.

23. What is the legal act defining the modification of the scope of the EU ETS?

According to Article 25a of Directive 2003/87/EC, flights incoming from states who have emissions trading systems linked with the EU ETS are exempted from the coverage of the EU ETS's scope⁴. The Commission is in the process of adopting a delegated act⁵ that specifies this modification to the scope of the EU ETS.

24. How do the thresholds for inclusion in the EU ETS change?

In the EU ETS, the de minimis thresholds are calculated against the full scope as defined by Directive 2003/87/EC. This concerns all incoming and outgoing flights including flights incoming from Switzerland. The scope modification brought about by the delegated act (see question 22) affects the emissions reporting and surrendering obligations, but not the basis for the calculation of the de minimis threshold for operators.

Competent authorities

25. How is it decided which aircraft operator is attributed to which Competent Authority?

The basis for the attribution of operators to competent authorities is Article 18a of the EU ETS Directive. It lays out that the first criterion is the state that issued the operating license. For operators that do not have an operating license issued by an EEA State or by Switzerland, the

³ In 2012, the Commission “stopped the clock” concerning the implementation of the international aspects of aviation under the EU ETS. In fact, it meant that the scope of the EU ETS is limited to intra-European (EEA) flights until the end of 2023 except where a Linking Agreement is in place. The “stop-the-clock” decision was taken with the prospects of a global measure in mind that was finally adopted by ICAO (International Civil Aviation Organization) in 2016.

⁴ This is irrespective of possible obligations arising from other agreements/obligations, such as CORSIA.

⁵ COMMISSION DELEGATED REGULATION (EU) .../... of XXX supplementing Directive 2003/87/EC of the European Parliament and of the Council, as regards the exclusion of incoming flights from Switzerland from the EU emissions trading system

criterion of attributed emissions applies. Out of the incumbent operators, only those that hold a Swiss operating license will be reattributed to Switzerland; all the others will remain under the current EEA state of attribution. The criterion of attributed emissions will only apply to non-commercial operators, or to operators with an operating license issued by a third country, which are not currently under the scope of the EU ETS.

The attribution of operators is established by Regulation 2009/748⁶, which is being amended yearly. As from 2020, the list will include Switzerland as an administering state.

26. Will Swiss Operators be treated differently than EU ones?

Operators who hold a Swiss AOC, or operators that are attributed to Switzerland following the rules laid out in Article 18a of Directive 2003/87/EC are administered by Switzerland. They have the same rights and obligations as all other operators administered by an EEA Member State, and are not treated in any way differently. The only particularity is that the competent authority administering them is in Switzerland, and that their operator holding account will be in the Swiss Emissions Trading Registry, not in the Union registry (see also question 25).

27. When will Swiss operators be re-attributed?

The 2020 amendment of Regulation 2009/748⁷ will be in force in January 2020, but the practical re-attribution will occur after the finalization of the compliance cycle for the 2019 emissions, and after the implementation of the practical linking of the Union registry with the Swiss registry. The re-attribution should be completed once the provisional solution (see question 14) is available for the first time.

One-stop-shop for aircraft operators

28. What is the “one-stop-shop” (OSS) for aircraft operators and what is its objective?

The Commission and the Swiss authorities reached the conclusion that the linking should be as non-disruptive as possible for the operators, should not generate increased disproportionate regulatory burden and should not constitute a reason of doubling of practical obligations. To this end, both parties agreed to implement the concept of a “one-stop shop”, whereby an aircraft operator is administered by a single competent authority, be it an EEA state or Switzerland, according to the rules laid out in the answer to question 25, even if the operator faces surrendering obligations in both systems. The operators will enjoy their rights and fulfil their obligations to both systems by interacting with a single authority and with a single IT tool, i.e. a single operator holding account in either the Union registry or the Swiss Emissions Trading Registry.

Allocation including direct allocation to certain aircraft operators

29. How is free allocation from the EU to Switzerland for operators that are administered by Switzerland, but are entitled to receive free allocation under the EU ETS, executed?

Starting in 2021, aircraft operators administered by Switzerland and entitled to receive free allocation under the EU ETS will receive the EU Aviation Allowances via a direct transfer from a central EU account to their operator holding account in Switzerland.

The 2020 allocation, included pertaining to flights from the EEA to Switzerland, will be delivered in February 2020, in the current account administered by one of the EEA Member States.

⁶ Commission Regulation (EC) No 748/2009 of 5 August 2009 on the list of aircraft operators which performed an aviation activity listed in Annex I to Directive 2003/87/EC on or after 1 January 2006 specifying the administering Member State for each aircraft operator, OJ L219 of 22.8.2009, p 1

⁷ See footnote 1.

30. How is free allocation from Switzerland to the EU for operators that are administered by an EEA Member State, but are entitled to receive free allocation under the Swiss ETS, executed?

For aircraft operators with an aircraft operator holding account in the Union Registry, any Swiss free allocation will be transferred by the Swiss competent authorities to the aircraft operator holding account in the Union Registry.

In 2020, this will happen after the provisional solution of the link is available and the re-attribution of Swiss operators to Switzerland has been completed (see question 27). As from 2021, the free allocation will be transferred by end of February.

31. How is legal enforcement ensured?

Compliance for the two systems is calculated separately. The legal enforcement in cases of non-compliance is conducted primarily by the competent authority which administers the operator, although further action by the authority which is responsible for the ETS towards which an operator is not compliant, if that authority is not the one administering the operator, should not be excluded.

32. What is „preferential accounting for surrendering“, as laid down in the amended Part B of Annex I to the Linking Agreement?

The Commission and Switzerland agreed to use “preferential accounting for surrendering” to ensure compliance by operators to which surrendering obligations from the two different systems are incurring. Therefore, the surrendered allowances will first be accounted for the system, where the operator is not administered, and then for the system, where the operator is administered. This mechanism reduces the incentive to operators to discriminate in favour of the system whose authority administers them. This avoids a situation where a case of non-compliance with one of the two systems/surrendering obligations generates ambiguity in terms of the liability of the operator.

Others

33. What is the impact of the linking on CORSIA?

The EU completed its legal framework on implementation of CORSIA Monitoring, Reporting and Verification requirements. In Switzerland, the CORSIA standard is directly applicable and does not require additional legislation. Since 1 January 2019, operators with an operating licence issued by an EEA state or Switzerland, and which exceed the respective thresholds, need to report all international flights for purposes of calculating the baseline of CORSIA. The entry into force of the linking has no effect on the MRV for CORSIA. All flights between the EEA and Switzerland are international, and, unless they are exempted for other reasons, they need to be reported.

In the EU, the adopted legal framework on CORSIA covers MRV only. In terms of implementation of other elements of CORSIA, the EU agreed, in accordance with Article 28b of Directive 2003/87/EC, to implement CORSIA through the EU ETS. The Commission is currently initiating the process of reviewing Directive 2003/87/EC as per the mandate given by the above-mentioned article.

34. Do the benchmarks applied in the EU and Switzerland reflect the same level?

Essential criterion 7 in Part B of Annex I to the Linking Agreement lays down the benchmark for free allocation, which is identical in both ETS.

35. Reference date for allocation?

Annex I, part B, essential criterion 11 lays down the reference year for the acquisition of tonne-kilometre data, which is the basis for free allocation.

Auctioning

36. Who may attend auctions in the EU and Switzerland?

All entities in the EEA that are admitted to bid in auctions in the EU shall be eligible to apply for admission to bid in auctions of Swiss allowances operated by the Swiss Federal Office of the Environment. Accordingly, entities that participate in Swiss auctions shall be eligible to apply for admission to bid in auctions conducted in the EU.

37. How are auctions in Switzerland and the EU regulated?

The auctioning in the EU is governed by Article 10 of Directive 2003/87/EC and Commission Regulation 1031/2010/EU⁸ (Auctioning Regulation). The established legal framework ensures that the auctions are conducted in an open, transparent, harmonised and non-discriminatory manner. Auctions take place almost daily on auction platforms appointed pursuant to competitive procurement procedures. The results of the auctions are communicated no later than 15 minutes after the auction closes.

Auctions of Swiss emission allowances are executed by the Federal Office of the Environment via the Swiss Emissions Trading Registry on the basis of Articles 47–49a of the revised CO₂-Ordinance. On average, auctions are conducted two to three times a year.

38. What is the role of the essential criteria on auctioning?

The essential criteria set out minimal requirements for the conduct of the auctions, in particular with respect to entities conducting auctions, access to the auctions, predictability, transparency, integrity of auctions and adequate supervision.

Matters of markets

39. Does Switzerland have a Market Stability Reserve (MSR) or a different mechanism?

Annex I, part A, essential criterion 5 lays down provisions on a market stability mechanisms in either ETS. In the Swiss ETS, a market stability mechanism is introduced as of 1 January 2020. In 2020 no more than 10 per cent of the previous year's cap for stationary installations will be auctioned; however, if the reserve for new operators and increases in capacity (5% of the cap) is fully used, more allowances may be auctioned. For the 2021–30 phase, this arrangement in the Swiss ETS will be reviewed and if necessary adjusted taking into account developments in the EU ETS. The Swiss legislation foresees the possibility to reduce auction volumes where there is a significant increase of allowances on the market for economic reasons.

40. Are Swiss allowances taken into account in the MSR mechanism in 2020 and if so how?

⁸ Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, OJ L 302 of 18.11.2010, p 1

The Linking Agreement with Switzerland will enter into force on 1 January 2020. The next publication of the Total Number of Allowances in Circulation, expected in May 2020, will concern the allowances in circulation in 2019. Swiss supply and demand will not be taken into consideration for the publication in 2020. Additional information will be notified at a later point.

Market oversight

41. Are there differences between EU and Switzerland in terms of market oversight?

The current market oversight regimes in the EU and Switzerland ensure that the linking is not undermining the integrity and orderly functioning of the EU and Swiss carbon markets. In order to reinforce the integrity of the carbon market, the EU has opted to classify spot emission allowances as financial instruments. After the entry into application of the revised Markets in Financial Instruments Directive (MiFID II) in 2018, all parts of the carbon market are now subject to financial market rules.

Switzerland has also introduced a number of measures to protect the integrity of the emissions trading system. One of them is the introduction of a position limit of one million emission allowances for personal accounts (traders) in the Swiss emissions trading registry. The position include both Swiss and EU allowances.

Since spot emission allowances are not qualified as financial instruments (“securities”) under the relevant Swiss legislation, they are not tradeable on regulated trading venues in Switzerland. Transactions in spot emission allowances in Switzerland can only be conducted over-the-counter (OTC), outside of regulated venues. Derivative contracts that have emission allowances as their underlying assets qualify as securities and can be traded both on regulated trading venues and OTC.

The Linking Agreement refers to the monitoring of carbon markets in Article 13 (7). The Agreement provides for periodic reviews in light of any major developments on market oversight, in order to ensure that the linking is not undermining the integrity and orderly functioning of the carbon market of either Party.

42. What does cooperation (point 7 in Part A of Annex I to the Linking Agreement) regarding market oversight imply?

The cooperation arrangements concern the exchange of information regarding market oversight between the EU and Switzerland. The Parties will inform the Joint Committee about any such arrangements.