



Quasar eFX

Pricing and decision engine for single and multibank portals,
Liquidity management with Aggregation, Autohedge & Algorithmic execution

Pohjola Bank choose Quasar eFX from Aphelion

Aphelion has announced that Finnish Pohjola Bank has chosen Quasar eFX to provide pricing and autotrading on multibank portals as well as Aggregation and Autohedging on the Interbank market.

“Our objective is to service our customers better with faster responses to their RFQs and even more competitive prices” Says Mikko Räsänen, Head of

Foreign Exchange and Money Markets “Partnering with Aphelion and implementing Quasar will open up new possibilities to the bank and enable us to compete with the top Nordic banks. We will start by servicing our clients on the multibank portals FXall and 360T but we are looking to add more multibank portals as well as our own single bank portal as well.” Says Jarmo Koukonen, Head of FX and MM, Sales and Trading.

Dukascopy Bank launches Silver trading accounts

Dukascopy Bank SA has announced the launch of Silver (XAG/USD) trading accounts. The minimum trading amount is 50 units (ounces). With an increment of 1 unit (ounce). Trading hours during summer time are from 22.00 GMT Sunday till 21.00 GMT Friday with a daily one hour interruption at settlement time (from 21.00 GMT to 22.00 GMT).

Synergy FX announces new service

Synergy FX, which operates as a straight through processing broker, has announced a comprehensive new service for forex traders with multi-bank liquidity, straight through processing and mobile trading signals at competitive rates.

“We’ve invested heavily in our technology. Through our multi-bank price feed, we receive a deep source of liquidity from the world’s largest banks, allowing us to provide interbank pricing to all traders. Our clients take peace of mind from the fact that we have no dealing desk. With no dealer intervention and straight through processing, trade execution is super quick,” says Executive Director, Piers Cracknell.

White Label partnerships: Taking the quick route to establishing an online FX business



Heather McLean

Whether dealing with retail individuals or institutional firms, building an FX system in-house can involve prohibitive costs and long time delays. The alternative is a white labelled solution from a third party provider. Heather McLean, examines how white label solutions can expedite entry into the burgeoning and lucrative FX market.

The retail FX industry has grown nearly tenfold in the past decade, and in 2010 was estimated to be at \$315 billion in average daily turnover. In addition, annual revenue of the retail FX brokerage industry is estimated to be at nearly \$10 billion, according to Aite Group. These provide compelling reasons for financial services and brokerage firms to enter this fast growing and lucrative market.

Deciding factors

Tom Levine, senior vice president for institutional sales at GAIN Capital, says "When considering any kind of strategic partnership, and in particular an FX white label partner, a firm needs to consider the fundamentals associated with both client facing and back office features". He notes: "Institutions should ask themselves questions like: Does this firm have a good reputation in the market? Is the firm going to provide a reliable and scalable service? How deep is this company's expertise and how will they be able to help me post product launch?"

Luis Sanchez white label specialist at Dukascopy Bank, notes: "A white label solution can help

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a broker or bank to quickly offer comprehensive FX trading services to its clients, and thus generate additional growth and revenues for the broker. White labelling offers an opportunity to start a business from zero to up and running in one to two months, while designing a solution in-house could be expensive, and takes years to implement.”

While Havel Abu Hamdan, Chief Operating Officer at Hantec Markets, says that for ways in which white label programmes can help trading firms to grow their market share and take advantage of new regional business growth opportunities, using an FX white label software as a service (SaaS) solution is the answer. “SaaS, whereby solutions and services are delivered on demand, provides partners with the opportunity to enter new markets quickly without having to own and operate any IT infrastructure. There is no system software to install, no migrations to plan, nothing. It’s very easy and effective,” he maintains.

Levine observes, “White labelling is advantageous for firms looking to grow market share and footprint. It can be an especially attractive opportunity for those firms that have a strong local or regional presence and want to take advantage of the growth in the retail forex industry. These firms should look at FX as an opportunity to cross-sell into their installed client base, as well as a way to gain market share by using their existing presence, marketing, regulatory licenses and reputation.”

“With respect to reputation and corporate stability, make sure the company being considered has solid financials, detailed risk management policies and procedures, strong corporate governance, a solid grasp on regulatory and compliance issues and the ability to provide partner references,” Levine warns.

He continues: "Service reliability will be instrumental in delivering an exceptional customer experience. Be sure the firms being evaluated can provide detailed statistics regarding system uptime, order execution rates and speed, and opportunities for price improvement. Also, an institution will want to be sure that the white label solution provider's technology, service and business can scale as their business grows with them and that they have a proven track record building successful white label partnerships. Lastly, the provider should be able to provide detailed information about their disaster recovery and business continuity plans."

In addition to reputation, reliability and scalability, Levine recommends looking for a company that has deep familiarity with the inner workings of online retail FX trading. He says "institutions will often rely on brokers to provide best practices pre- and post-launch. Their technology should be well tested, and the company should be at the forefront of product and service innovation, because once an offering goes live, it should continuously evolve and improve", Levine states.

On the deciding factors for choosing a white label partner, Jørgen Hauglund, senior vice president and head of institutional business at Saxo Bank, agrees a lot of areas must be taken into consideration. "First of all, the basic requirement is of course that the provider is able to offer a trading solution with the functionalities and qualities that are needed to support the current business needs of the bank or broker. Secondly, the bank or broker must carefully evaluate whether the white label provider has the resources, skills, willingness and technologies to support the development of the business going forward."

Hauglund continues: "To enter into a white label relationship is an important strategic decision. The provider must not only be able to support the current business of the bank and broker but should also be able to support, guide and then lead the development of the bank or broker's online trading business in the future".

"A good white label provider should be able to continuously present new business opportunities to the bank or broker, rather than locking the bank into an inflexible solution that may satisfy today's needs, but not tomorrow's. That is exactly what we



Luis Sanchez

"White labelling offers an opportunity to start a business from zero to up and running in one to two months."

Artur Filipowicz

"Operational risk (IT risk) and Market risk are things to consider carefully."

aim to achieve with our trading solutions for banks and brokers; to enable them to take advantage of new business opportunities and helping them remain competitive in times of fast changes in technology and markets," he adds.

"Contrary to many other white label providers, we are able to provide a multi-asset platform," remarks Hauglund. "This enables the same platform to support the trading needs of the bank's or broker's customers if and when the bank or broker decides to add more products to the offering. According to many of Saxo Bank's white label clients, this multi-asset capability of the platform is one of the most important qualities of the offering."

Tick list

Hamdan says choosing a white label partner should be a process of answering many questions, including: How solid and reputable is the white label provider?

Where are they positioned in the market? Who is their offering targeted at (retail or institutional)? Is this in line with your target audience? (It would be disastrous to choose a white label solution that is not catered towards your target audience.) Who are their clients? Can you compete in that space? What will be your value proposition if several other major competitors are using the same white label solution? Is the white label solution scalable? What future upgrades or new features are in the pipeline, and what is the provider's roll out map? What are the costs involved? and What is the set up timeframe?

The choice of white label provider solution should be made based on a few important factors; the technology itself, its recognition, stability and the time frame of the implementation are of course all significant, says

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Artur Filipowicz, relationship manager and white label specialist at Dukascopy Bank. He adds that the setup and maintenance costs also represent key factors.

Another important factor is the risk, notes Filipowicz. He explains: "Operational risk (IT risk) and Market risk are things to consider carefully. The Operational risk is difficult to quantify. Nevertheless, one should determine what the security and stability level behind the service is, such as what the backup servers or redundancy lines are like. In regard to Market risk it is essential to identify how the hedging works, at what price and liquidity the execution takes place and whether the hedging executes automatically. Last but not least is the flexibility of the technology. What revenue model can be implemented such as commission based or markup? What level of customisation does the partner get access to?"

Core services

On core services necessary for a successful white label relationship, Levine says working with a firm that has a deep level of FX expertise will ensure that the financial institution is well supported during all phases of the white label relationship. "In most cases,