

Dukascopey: Guarded Support for Finma Rule Change Dienstag, 05. Januar 2016 10:41

Dukascopey, an online-trading bank based in Geneva, welcomes the move by financial market regulator Finma to allow the identification of new customers through digital channels, but holds out for an even more liberal approach.

«Finma's initiative is a great Christmas present for the finance industry,» said [Andre Duka, co-CEO of Dukascopey Bank](#), in a statement today. «It is definitely positive, long-awaited by the professional community and has been widely supported by the press.»

A few days before the Christmas break, Finma launched a consultation process for a rule change, allowing banks and insurers to engage with a prospective customer via video link or via the internet, the «[Digital Onboarding](#)» in the industry lingo.

«Revolutionary» Move

So far, Swiss laws demands financial intermediaries to ask their customers to send signed documents by mail or even appear in person for the opening of a business relationship. Little surprise then that Duka calls the Finma move «revolutionary».

Still, in today's circular, the banker makes a few suggestions in response to the Finma draft:

- The **timing**: Duka is unhappy about the consultation period, which only lasts until January 18 – and obviously included an extended Christmas break, when most banks won't have been operating at full speed. «I think it would be good to extend this deadline, so people can express their opinions and an actual discussion can take place,» Duka said.
- The **reach** of the rule: Finma so far has limited the new rule to the domestic jurisdiction. A digital identification is possible only if the customer already made transactions in Switzerland, according to Duka, severely limiting the usefulness of the move. The Dukascopey boss therefore suggests to extend the rule to foreign banks.
- **Technical means**: Finma wants financial intermediaries to verify the identity of clients based on the copy of an ID. This appears to be huge challenge for smaller institutes, leading to an extension of compliance departments disproportionate to the benefit of the rule.

«No foreign authority of a major financial center requires this kind of technological procedure,» Duka said. «The attempts to catch up with the foreign competitors without taking their experience and practice into account might lead to a new serious disadvantage for Swiss institutions.»