

Press release

Date: 21 December 2015

Embargo: ---

FINMA facilitates video and online identification

The Swiss Financial Market Supervisory Authority FINMA has established a regulatory environment to facilitate client onboarding through digital channels. It has drafted a new technology-neutral circular in which the anti-money laundering due diligence requirements now reflect digital business. The consultation on this circular runs until 18 January 2016.

An increasing number of financial intermediaries interact with their clients via the internet and using mobile devices. The provisions on combating money laundering and the financing of terrorism should therefore reflect the rapid growth in the digitisation of financial services. The new FINMA circular thus defines the anti-money laundering due diligence requirements so that they are technology-neutral, facilitate digital business and eliminate any unnecessary barriers. The consultation on FINMA Circular 2016/xx “Video and online identification” runs until 18 January 2016. The circular will enter into force in March 2016.

Video identification of clients

Regulations now focus on the acceptance of business relationships (onboarding) through digital channels. In compliance with certain requirements, financial intermediaries can onboard clients via video transmission. FINMA has therefore put online identification of the contracting party on par with in-person identification.

Electronic confirmation of authenticity allowed

Other forms of online identification will also be possible. In compliance with certain requirements, the circular provides a variety of approaches to facilitate onboarding via internet. A key element of the rules is electronic confirmation of the authenticity of the client’s ID which no longer requires in-person identification at the financial intermediary’s place of business.

Another innovation is that the declaration of beneficial ownership no longer requires a handwritten signature which is then submitted in person or returned to the financial intermediary. Overall, the circular regulates alternative procedures fit for purpose in the digital era.

Contact

Vinzenz Mathys, Spokesperson, Tel. +41 (0)31 327 19 77, vinzenz.mathys@finma.ch