

Press release

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FINMA revises circular on video and online identification

The Swiss Financial Market Supervisory Authority FINMA is updating the due diligence requirements for client onboarding via digital channels to reflect advances in technology. The consultation period for the changes to the circular will run until 28 March 2018.

Almost two years have passed since FINMA Circular 2016/7 “Video and online identification” came into force and initial experience with digital identification has been positive. While technology has since advanced and financial intermediaries have in part adapted their processes, new risks of misuse have also emerged. The amended circular takes account of these developments and ensures that innovative capacity, technology neutrality and effective money-laundering prevention are maintained. FINMA is launching a consultation on the changes which runs until 28 March 2018.

Specifically, the video identification process no longer contains the provision regarding the single-use password (TAN). Instead, at least three randomly selected visual security features of identification documents must be checked. For online identification, FINMA no longer requires a transfer from a bank in Switzerland to ensure compliance with due diligence requirements: under certain conditions, a transfer from a bank in an [FATF member state](#) is now also permitted. Additionally, liveness detection is required as a further security measure when checking photographs.