

FINMA Circular 2016/7 “Video and online identification” – partial revision

Key Points

16 November 2020

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1. Circular 2016/7 “Video and online identification” entered into force on 18 March 2016 and was partially revised for the first time on 20 June 2018. To take account of technological developments, the Circular is reviewed regularly to identify any potential need for adjustment. In particular, procedures that could simplify existing processes while maintaining the same or a higher security standard should be considered in the Circular.
2. The aim of this second partial revision is to introduce an additional possibility for online identification. The financial intermediary may forego the transfer of money from an existing bank account in order to verify the client’s identity if he scans the client’s biometric passport chip. For this purpose, clients scan their biometric passport chip with a smartphone app and transmit their personal data and photo (but no other biometric data) to the financial intermediary. This permits an entirely automated online identification with a high level of security. The amendments are due to enter into force in mid-2021.
3. The need for accompanying security requirements for online identification (such as a bank transfer or scanning of the biometric identification document chip) is essentially upheld. Completely dispensing with these accompanying elements would reduce the security level of digital onboarding and facilitate abuse. These additional requirements take in particular into account the fact that the inhibition threshold for attempting abuse is lower in the digital environment due to the lack of personal contact than with in-person identification.