

Swissquote's Digital Custody and Execution Platform for EAMs, MFOs and Funds

Rafael Weber, Head of Institutional Clients for Swissquote Singapore, delivered a detailed and very insightful Workshop at the Hubbis Independent Wealth Management Forum in Singapore on May 10, looking at the digital delivery of wealth management, and how Swissquote continuously evolves its digital investment, execution and custody platform in anticipation of the needs of the EAM and MFO community worldwide. He highlighted the rising role of online execution and custody platforms, and the importance of the Swissquote's proposition for EAMs, funds and family offices. He explained why Swissquote is at the forefront of the digital delivery of wealth management, how the platform is helping transition wealth management into the digital era ahead, and why distribution and connectivity are so vital to the wealth management community.

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KEY HIGHLIGHTS

- *Delegates heard how Weber believes Swissquote is at the cutting edge of the digital delivery of wealth management, how the platform is helping transition wealth management into the digital era ahead, and why distribution and connectivity are so vital to the wealth management community.*

Weber reported that their mission is to be an exemplary custodian and execution platform and partner for the wealth management community.





RAFAEL WEBER
Swissquote

Centralised and digitised

Rafael said that their value is as a centralised platform for global custody and fast trade execution where end-clients can basically trade any bankable assets they want, from stocks listed around the world to traded active or passive funds, or to a wide range of assets in the alternative space, as well as fixed income, structured products, futures, and a host of other derivatives.

He explained that in Singapore, Swissquote mainly serves multifamily offices, external asset managers and funds, offering them Singapore-booked accounts. Given Swissquote does not provide investment advice, their offering is perfectly tailored towards the aforementioned group of clients.

Swissquote's key characteristics

By way of background, Swissquote offers a multi-asset trading and custody platform aimed at institutional partners such as Asset Managers, Banks, Family offices and others who thereby benefit

from Swissquote's innovative, online banking, market-leading rates and access to trade three million financial products in over 65 countries. The entire offering comes with very efficient and lean pricing thanks to the use of technology while not compromising on safety. As a leading provider of online financial services, Swissquote offers innovative solutions and analysis tools to meet the wide range of demands and needs of its clients.

It is listed, regulated and well-capitalised. Swissquote Bank Ltd holds a banking license issued by its supervisory authority the

Swissquote Bank is essentially a technology company with a banking license, so people can imagine them as a digital private bank, somewhere between a traditional private bank and an online broker and combining the best of both worlds.

Swiss Federal Financial Market Supervisory Authority (FINMA) and is a member of the Swiss Bankers Association. Its mother company, Swissquote Group Holding Ltd, is listed on the SIX Swiss Exchange since 2000, and on May 13, had a market valuation of roughly CHF1.9 billion.

A powerful group

Swissquote Group now has client assets of about CHF52 billion under management (as of December 31, 2022), and is strong financially, with a core capital ratio of more than 24.8%. Weber reported the group had been one of the best-performing stocks in Switzerland in the last 20 years.

Weber explained that in order to be scalable in the wealth management space, technology plays an incredibly significant role today. He said Swissquote Bank is essentially a technology company with a banking license, so people can imagine them as a digital private bank, somewhere between a traditional private bank and an online broker and combining the best of both worlds.

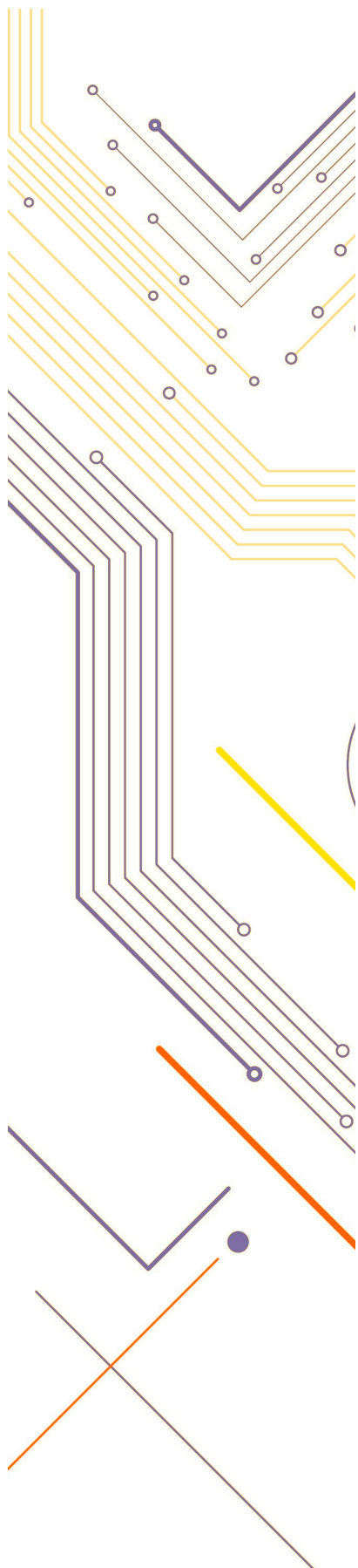
He explained that the platform delivers the perfect marriage between excellence in execution, safety, and technology at the same time. Given Swissquote has automated most processes which are done manually at traditional

private banks, Swissquote's staff can focus on problem solving for clients. At the same time the clients also profit from an attractive pricing due to the efficiency gains from technology.

From Switzerland to the world

Weber reported that while the firm's roots are in Switzerland, they today have offices around the world, with booking centres in Luxembourg, Malta, Dubai and Singapore.

Fully regulated, he said they see themselves as a perfect marriage between technology and safety with a very broad product offering of more than three million products across 22 different



currencies, and everything offered to customers for a very competitive price.

He said they do everything online whenever it is possible, but at the same time Swissquote also has a trading desk for equities, for fixed income, for Forex, for funds, and whenever an order needs more attention, they are also able to take care of that.

He also said they can execute trades in structured products, either listed structured products, or OTC products with external structured product provider, as Swissquote offers a completely open platform.

He noted that they enable clients to trade more than 3 million capital market products from 70 stock markets globally to bonds, thirty thousand funds, options futures and structured products. Customers can trade the products for an extremely competitive rate significantly below the prices offered by traditional private banks. And he said even if funds are not on their platform, as long as the fund has an ISIN and prospectus, they can get hold of it for clients to trade.

Swissquote’s key propositions

Delving a bit more into the services, Weber told delegates they work via two different models with their partners.

In Singapore, they mainly focus on the traditional EAM setup where the clients sign a limited Power of Attorney to manage the account. At the same time, Swissquote Singapore also offers the possibility

to work with them via an omnibus structure if their license permits it where each end-client can have a segregated sub-account. The access to products is exactly the same for both models.

Weber also reported that they can open a wide range of account types including individual accounts, joint accounts, trusts, private investment companies, and even for operating companies and life insurance policies (PPLI and VUL). He highlighted also the strong partnership Swissquote Singapore has with a wide range of Life Insurance carriers and the efficient account opening process.

Working with the professionals

He explained that they deal only with accredited investors and institutional investors and are generally able to open traditional EAM type accounts much faster than traditional private banks while not compromising on standards due to a high Compliance staff vs Relationship Manager ratio and a flat hierarchy.

Weber reported that they offer the full suite of wealth management products, including money market sector products, which are again especially interesting these days as rates are now much higher than in early 2022 and the preceding years. Customers can either place on the money markets, or fixed term deposits with Swissquote, or they also offer that on a fiduciary basis with up to nine other banks.

The Swissquote Professionals platform allows customers to see all the clients they are managing

and enter trades for all of them at the same time.

Weber pointed also to their real-time Lombard loan facility where the EAMs can see their available buying power and current rates.

Open and transparent

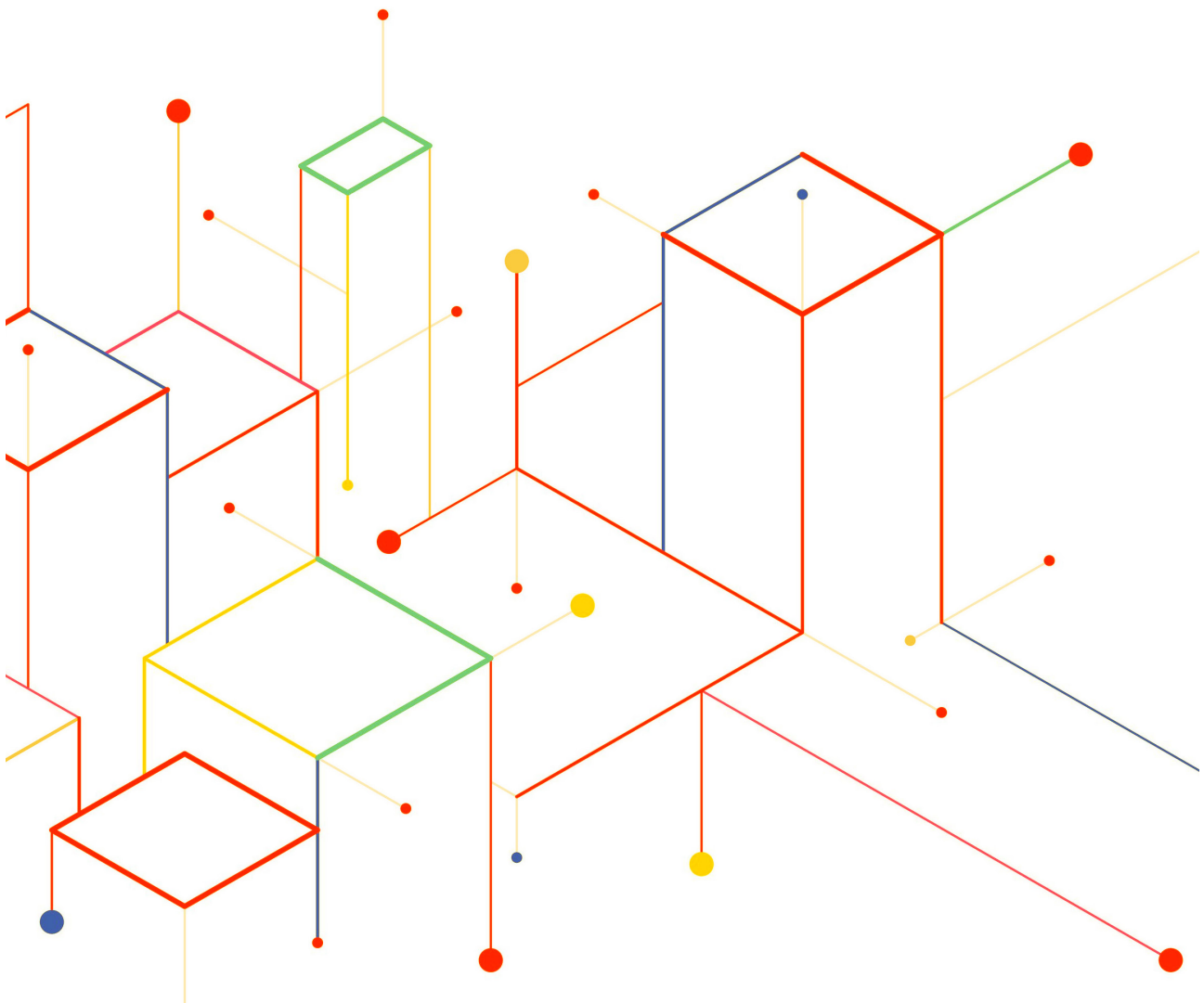
Weber noted that Swissquote can work under a retrocession

arrangement or a management fee model – the ultimate decision lies with the EAM respectively the end-clients.

Transaction-related retrocessions will be on the EAM revenue account, for example, the same day, so customers can transfer it wherever they want, and they will also receive the trade confirmations or the

calculations of their retrocessions automatically, he reported.

Weber and his colleague Charmaine Ng, their Singapore-based Associate Director, also talked delegates at the Workshop through their screen and other media interfaces and protocols, thereby rounding off a comprehensive and detailed exposition of the seamless delivery of their proposition. ■



FIND OUT MORE

For further reading on Swissquote and Rafael Weber, read our Hubbis report from mid-2022 by clicking [HERE](#).