

# Swissquote's Rafael Weber on the Arrival of the New Era of the Digital Investment & Custody Platform

At the Hubbis Independent Wealth Management Forum of May 11, one of our guests – also a sponsor of the event - made an interesting presentation on the role of online execution and custody platforms, and the importance of their proposition for the independent wealth management community. Rafael Weber, Head of Institutional Clients for Swissquote, told delegates how 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.

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**Rafael Weber**  
Swissquote

**Armed with a** short but very concise presentation, Weber introduced himself and Swissquote, explaining that their mission was to be an exemplary custodian and execution platform and partner for the IAM community. He said that their value is as a centralised platform for global custody and fast trade execution where you 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.

### **A platform for the future**

“And anyone involved in the wealth industry will also want real time execution, online or mobile access, you don’t want to have calls to read disclaimers, you want to click the button and the trade is executed and you’re getting a trade confirmation right away,” he reported. “In your business, you also want to focus on client acquisition, and leave the back office and the execution to technology and your specialist partners. And if you generate more revenues with your clients, you

want to keep that revenue and you don’t want to share it necessarily with your custodian.”

He explained that customers also want everything auditable and traceable online and at any time. They want to control which people can place trades, what the clients can do, and to be able to facilitate their actual private clients if they want to conduct self-directed investment and trading.

“Well, the good news is that there is actually the platform that can do exactly this and more, and it is Swissquote, your own platform for custody, multi asset and online trade execution controlled by a fully licensed Swiss bank,” he stated. “Safety and security are vital, which

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### **Swissquote’s pedigree**

By way of background, Swissquote offers a multi-asset trading platform aimed at institutional partners such as Asset Managers, Banks, Family offices etc. Benefit from cutting-edge, online banking, market-leading rates and access to trade three million financial products in over 65 countries. The entire offering comes with a 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.

### **Listed, regulated and well-capitalised**

Swissquote Bank Ltd holds a banking license issued by its supervisory authority the 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.

“We now have client assets of almost CHF56 billion under management, and we have a capital Tier 1 ratio of more than 26%, which is more than the traditional private banks,” Weber told delegates.

“We have also had strong growth over the past year as well as over the last 20 years. In fact, we have been the best performing stock in Switzerland in the last 20 years.”

### **Helping build scale**

He focused in on the technology side, noting that in order to be

scalable in the wealth management space, technology plays an incredibly important role today. “We are basically a technology company with a banking license, so you can imagine us as a digital private bank, somewhere between traditional private bank and an online broker, combining the best of both worlds. We believe we are the perfect marriage between excellence in execution, safety and technology at the same time.”

He added that he and his team are available around the clock for clients to support them, just in case they have difficulties, and the platform and the teams also support OTC activity, allowing customers access to products that are not listed yet on the platform but are being onboarded and that customers can trade right away.

“Let’s think of an exotic hedge fund, we are able to onboard that fund and you can trade them for a very reasonable price,” he reported. “Moreover, we have agreements with most of the major fund houses around the world, and you can trade them very cost efficiently. If there is one fund not on the

platform, we can also get that onboarded within a short time.”

### Some of the more exotics on offer

He told the guests that they offer a completely open platform for structured products. “If there are any external structure product providers, you can trade and you can settle through us,” he reported.

He explained that in terms of operational efficiency, the onboarding process follows the same highest standards as any other players, but because Swissquote employs such advanced technology, and because the platform operates on a very flat structure, they are actually able to open accounts and fully onboard them very rapidly, within a few weeks.

### Making things easy and efficient

“Thinking about the EAM model, instead of doing call-backs and written instructions, everything is online, so a client enters a payment, and it pops up on your screens and you just have to validate it,” he elucidated. “There is no call-back, you are not subject

to time-intensive arrangements. But of course, you can also accept paper-based instructions, so there is always the combination of both to make sure your end-client is served 100% at any time.”

He pointed also to their real-time Lombard loan facility where the EAMs can always see their available buying power and current rates. “You will see that real-time,” he elaborated, “so you don’t have to call the bank and calculate things yourself, which is a great facility and a significant advantage for you.”

### Open and transparent

He closed the presentation by noting that Swissquote works with a mark-up model for the pricing which puts EAM in a much better position than the 50/50 sharing offered by traditional private banks. “Transaction related retrocessions will be on your revenue account the same day, so you can transfer it wherever you want, and you will also receive the trade confirmations or the calculations of your retrocessions automatically,” he reported. ■

