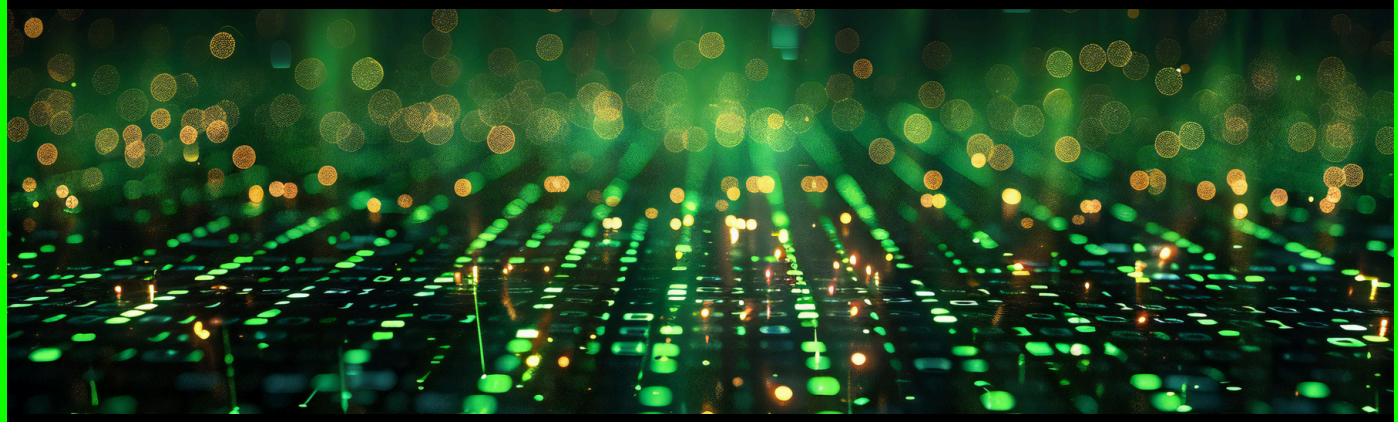
Scale Compliance

02 November 2026



Welcome to Scale Compliance's

NEWSLETTER

What FINMA's Revised Rules Mean for Financial Intermediaries



FINMA's partially revised Circular 2016/7 "Video and Online Identification" entered into force on 1 November 2026. It introduces liveness detection to counter deepfakes and AI-enabled identity manipulation, allows the Swiss E-ID for digital customer identification under AML requirements, treats QR code-based documents as equivalent to those with a Machine Readable Zone, and accepts additional digital methods for verifying residence.

📌 Why it matters

Digital onboarding is now directly exposed to AI-enabled identity fraud. Financial intermediaries need identification controls that can confirm a customer is a real, physically present person, not just that a document appears valid.

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The revision combines tighter controls with new digital options. FINMA is not slowing down digital onboarding, but it is treating AI manipulation as a risk that institutions must address. The E-ID and QR code-based documents broaden the options, while liveness detection raises the bar for how those channels are secured.

🧭 **Actionable Takeaway**

Reassess your KYC and onboarding controls against deepfake scenarios and update them to the revised circular. Check which changes apply to each identification channel you use, including any transition periods, and document the outcome.

Stablecoins Under MiCA: The Countdown to Compliance



ESMA expects national supervisors to require remediation of remaining exposures to non-MiCA-compliant stablecoins as soon as possible and no later than 8 January 2027. For MiCA-authorised crypto-asset service providers serving EU clients, restricting trading alone is insufficient, as the expectations extend across services, including custody and transfers.

💡 **Why it matters**

Delisting a trading pair does not resolve exposure elsewhere in a firm's operations. CASPs need to identify everywhere an affected token is used, prevent new exposure and manage existing positions through an orderly exit.

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8 January is the outer limit, not the target, and national supervisors may expect earlier remediation. Stablecoin support is also becoming a governance decision. Beyond liquidity and demand, firms need to assess issuer authorisation, regulatory status and operational dependencies.

🧭 **Actionable Takeaway**

Review every service involving affected tokens and build a controlled exit process, with continued services limited to what is temporary, risk-based and necessary for exit or safekeeping. Assign clear ownership across compliance, product, operations and technology, and define who decides when support must end.

Why Wallet Screening Alone Is No Longer Enough



Recent US measures targeting the Russian-linked A7 payment network highlight the growing complexity of sanctions evasion involving digital assets. According to US authorities, A7 combines payment intermediaries, corporate structures and digital assets, including the ruble-backed A7A5 token, to facilitate cross-border transactions.

💡 **Why it matters**

A wallet may show no direct sanctions exposure while still forming part of a more complex network involving high-risk counterparties or intermediaries. Identifying exposure to known addresses does not necessarily reveal the full picture.

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Wallet screening remains an essential component of AML and sanctions compliance, but it is only a first step. The A7 case illustrates why a risk-based approach must go beyond automated screening results. Understanding the network behind a transaction is what makes the difference.

🧭 **Actionable Takeaway**

Extend your risk assessments beyond screening results. Combine transaction analysis, counterparty due diligence and network analysis, and assess whether transactions are consistent with the customer’s business activities.

Kraken's Dubai Approval: Another Step Toward Regulated Crypto Markets



In October 2026, Kraken secured its VARA licence, bringing its UAE expansion a step closer to launch. Payward FZCO, Kraken's local entity, was licensed for broker-dealer and management and investment services, with permission to serve retail, qualified and institutional investors. The planned offering includes AED trading pairs and direct dirham deposits and withdrawals.

💡 Why it matters

Kraken's expansion adds to the competition among regulated providers in Dubai. For new entrants, that raises the bar for both their offering and their ability to deliver it within the regulatory framework.

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A licence defines commercial scope, as permitted activities and client categories need to match the business a firm intends to build. Local banking access matters too, because funding and withdrawing in dirhams can make a meaningful difference to client adoption and everyday use.

🧭 Actionable Takeaway

Map your licence scope against your planned business before entering Dubai. Make sure governance, AML controls, client protection and regulatory reporting can keep pace as the business grows.

Need a second view on a wallet or crypto transaction?

Scale Compliance supports financial institutions and businesses with wallet screening, transaction-risk assessments, sanctions exposure analysis and source-of-funds reviews.

Get in touch with our CEO Dr. Karin Lorez.

When AI Agents Make Payments: Who Is Accountable?



AI is increasingly moving from supporting financial decisions to potentially executing them autonomously. In its Guidance 08/2024, FINMA emphasises that financial institutions must identify, assess, manage and monitor the risks arising from AI applications and adapt their governance and control frameworks accordingly, following the principle of “same business, same risks, same rules.”

💡 Why it matters

As AI agents become capable of initiating transactions and selecting payment methods, institutions face new questions on governance, operational risk and regulatory accountability. The execution of a transaction may be automated, but responsibility for compliance remains with the financial institution.

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The question is not simply whether an AI agent can execute a payment, but whether existing controls can effectively govern that decision. Automated payments remain subject to due diligence, screening and transaction monitoring, and AI-driven decisions must be traceable enough for oversight and regulatory review.

🧭 Actionable Takeaway

Define clear responsibilities for AI-driven decisions, including the authority to initiate and approve transactions. Put safeguards, transaction limits, escalation procedures and human intervention mechanisms in place, and review oversight of external AI models and payment infrastructure.

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AML/Compliance Officer

Access experienced AML and compliance professionals without full-time overhead.

Wallet Screening

Screen wallets and transactions to identify risks before they become problems.



DR. KARIN LOREZ

CEO SCALE COMPLIANCE

Connecting Compliance and Luxury: Our Involvement in DMCC's Luxury Innovation Ecosystem



Scale Compliance is now a member of the **DMCC Luxury Innovation Centre (DLIC)**, established within DMCC (Dubai Multi Commodities Centre) and operated by ORIGINALLUXURY. DLIC brings together leaders across diamonds, gold, fine jewelry and lifestyle with technology innovators, sustainability experts and industry professionals shaping the future of luxury.

For us, it's a natural connection. We support businesses with KYC and AML compliance, practical matters that increasingly feature in conversations across the luxury sector.

We look forward to meeting DLIC's members, exchanging ideas and exploring opportunities to work together.

📌 Takeaway

Across this month's developments, one theme stands out: compliance has to reach beyond the first control. Whether the topic is digital identity, stablecoins, wallet screening, licensing or AI, firms need to show that their controls work across the entire business.

For financial institutions and digital asset firms, the priorities are clear:

- Reassess KYC and onboarding controls against deepfakes and other forms of AI manipulation
- Identify everywhere non-MiCA-compliant stablecoins are used and manage an orderly exit before 8 January 2027
- Look beyond wallet screening results to the network, counterparties and economic rationale behind a transaction
- Make sure governance and AML controls keep pace with new licences, new markets and AI-driven payments

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How Scale Compliance Helps You Stay Ahead:

- Crypto Payments for Luxury Goods – Buy high-end watches, real estate, and other assets securely with crypto.
- Exchange Services – Convert crypto to fiat and vice versa with full regulatory compliance.
- Escrow Services – Protect high-value transactions with secure and transparent escrow solutions.
- Compliance & Regulation – Stay ahead of AML, KYC, and evolving digital asset regulations.

Financial innovation is happening fast. Are you ready?

👉 **Visit scalecompliance.com to learn more.**

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