

Custody: keys, segregation and liability

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The custody of crypto-assets and digital assets is the business in which Geneva private banking has the most to contribute and the most to lose. A crypto-asset is controlled by a private key: whoever holds the key holds the asset, so that the loss or theft of the key amounts to the loss of the asset, without recourse. Professional custodians have developed custody architectures that combine hardware security modules, multi-signature procedures, offline wallets for dormant holdings and connected wallets for day-to-day operations. To these are added the multi-person controls that private banking has known since the days of the vault.¹ The DLT Act, examined above, protects clients in the event of the custodian's bankruptcy provided that the assets are individualised or attributable. This condition requires of the custodian a position-by-client accounting of absolute rigour.

Most Geneva banks have chosen not to build these architectures themselves and to use specialised providers, including Taurus, under their own responsibility. This outsourcing is governed by FINMA's ordinary rules on outsourcing, the bank remaining liable to its clients for the safekeeping of the assets. Insurance covering the theft or loss of crypto-assets exists, with caps and exclusions that limit its scope. Wealthy clients insist on understanding who holds the keys, how they are protected and what happens in the event of a failure. Transparency on these points has become part of the relationship of trust.

Client's question	Answer expected from a Geneva custodian
Who holds the private keys?	the bank or its approved provider, under a documented multi-signature arrangement
Are my assets segregated from those of the bank?	yes, individualised by client in accordance with the DLT Act

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Client's question	Answer expected from a Geneva custodian
What happens if the custodian goes bankrupt?	segregation of the assets from the bankruptcy estate, subject to their attribution
Are the assets insured?	insurance with caps and exclusions, to be specified in writing
How are transfer addresses checked?	identity verification, travel rule, chain analysis, sanctions screening
Are my holdings reported?	yes, automatic exchange of information once it applies

1 Notes

1. Centre de droit bancaire et financier (Idiart, 10 February 2026, cdbf.ch): FINMA Guidance 01/2026 of 12 January 2026 requires, for individual portfolio management, that crypto-assets be held with an appropriate institution — one subject to prudential supervision (bank, securities firm or equivalent foreign authority), ensuring separate holding by client, having adequate technical infrastructure and allowing the segregation of assets in the event of the custodian's insolvency —, two exceptions being admitted only with full information on the risks and the client's written consent; for collective investment management, crypto-assets must be deposited with a bank or an approved custodian subject to equivalent supervision. ↩

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