

BerlinGroup NextGenPSD2 conference,

2018.gada novembris, Berlīne

Astra Cīrule, Banka Citadele

NextGenPSD2 Conference 2018
Berlin, November 14-15

NextGenPSD2 Conference 2018
Paris, December 7



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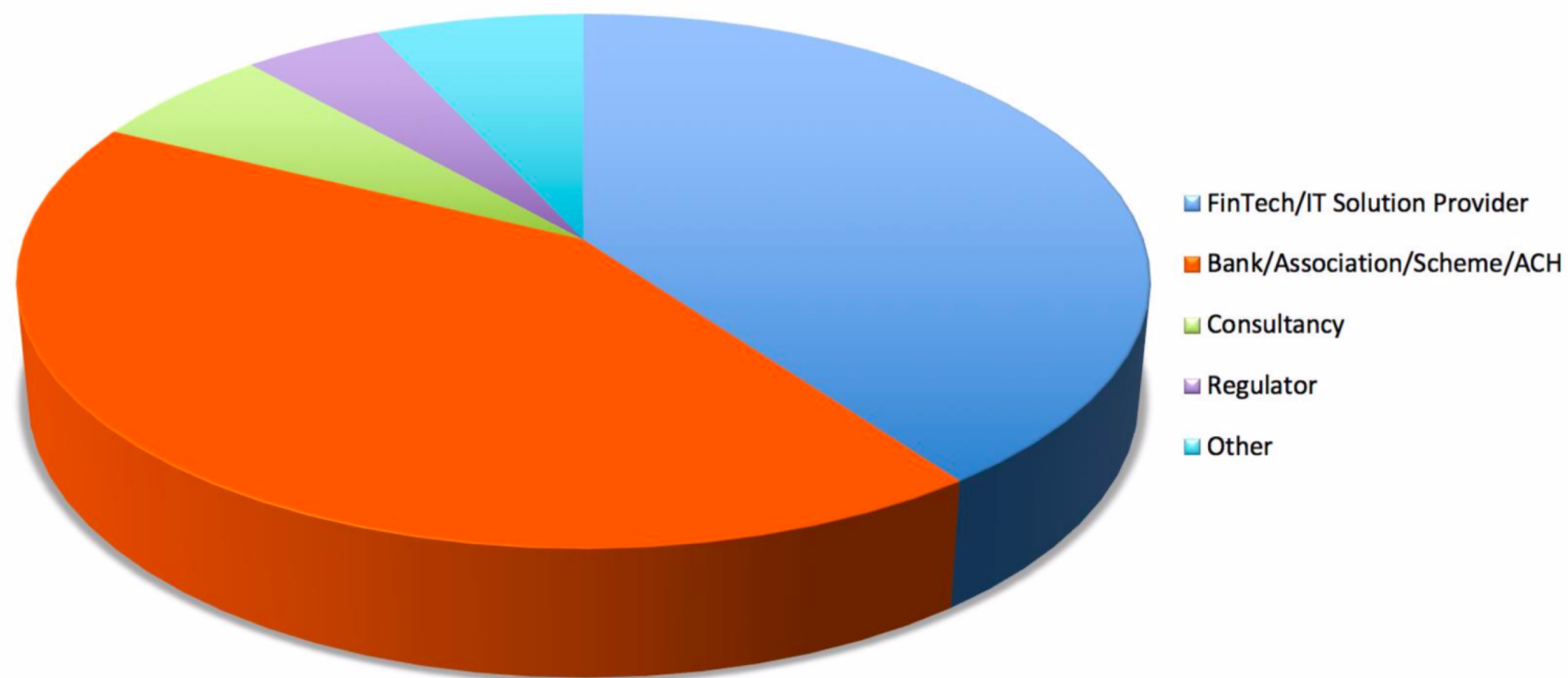


NextGenPSD2 Participants (November 2018)





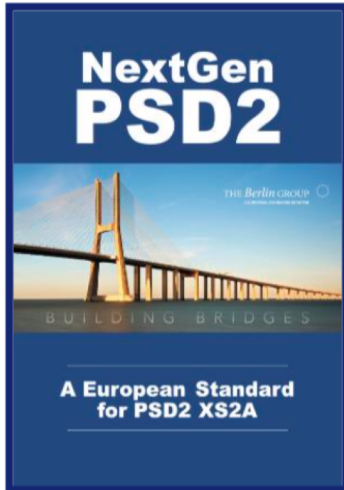
Distribution of conference participant's background





NextGenPSD2 Framework

INTRODUCTION PAPER



OPERATIONAL RULES



IMPLEMENTATION GUIDELINES



OPENAPI FILE (SWAGGER)



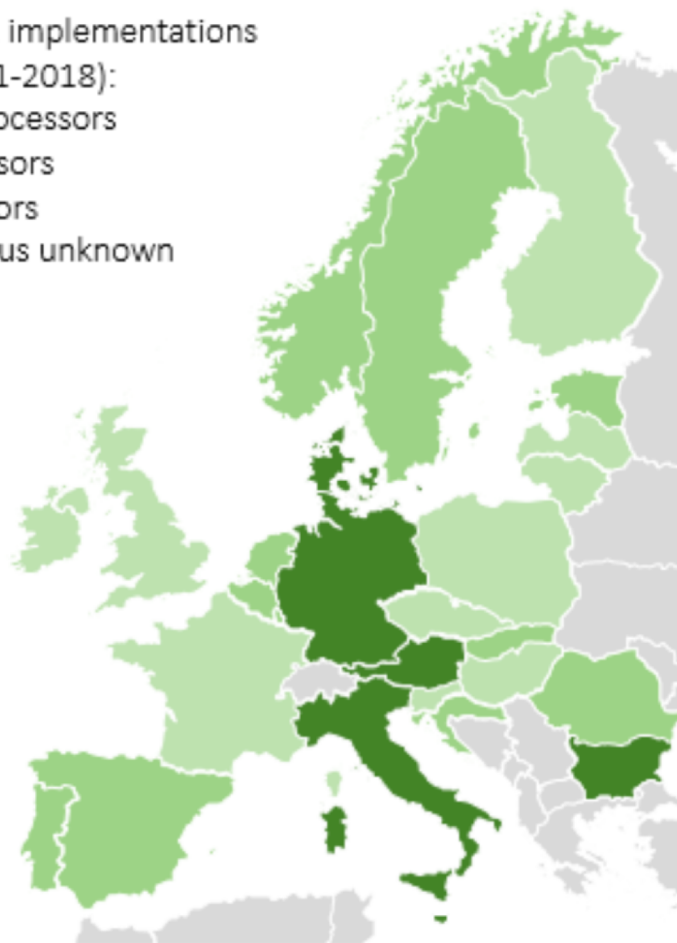
- Published for free under Creative Commons (CC-BY-ND):
www.berlin-group.org/psd2-access-to-bank-accounts
- Fully compliant to PSD2, EBA RTS on SCA & CSC, and EBA Opinion Paper



Estimated NextGenPSD2 Implementation Status

Ongoing NextGenPSD2 implementations
(estimated status 12-11-2018):

- (Near) All banks / processors
- Most banks / processors
- Few banks / processors
- Implementation status unknown



First rough estimate
Assumptions to be checked in
a more detailed market
survey in Q1 2019

What is needed for success?

- Take into account the requirements of payers, merchants and PISPs
- Have it reach all payment accounts in the EU, including cross-border
- Make it work for all ASPSPs, incl. those not yet processing real-time
- Enable having a smooth customer journey, including as regards customer authentication, e.g. decoupled approach
- Create a standardised technical basis, by arriving at a few or even one implementation specification, with a certification process
- Ensure that there are operational directory services
- Design and manage a process for event- and dispute-handling

Presence of the new PSD2 services in EU countries

	Countries with providers	Countries with expected entry by <u>new entrants</u>	Countries with expected entry <u>by existing PSPs</u>		
			Credit institutions	Payment institutions	E-money institutions
Before PSD2	10				
During the transitional period	-	13	22	19	10
Sub-total	10	25			
Total countries	26				

- PIS (and AIS) will become reality in the entire EU (26 from 26 replies)
- Credit institutions are expected to enter the market in 22 countries
- Will this impact the 'TPPs vs. banks' setting positively?



Which “API standard” expected in which country?

Berlin Group	Open Banking	STET	Others	Adaptations?
X				YES
X			X	YES
X				unknown
X				unknown
X				NO
	X			unknown
X	X			YES
X				unknown
		X		NO
X				YES
X				unknown
X	X			likely
X				YES
X	X			likely
X		X		unknown
X				unknown
X				YES
X	X			YES
X				YES
			X	partly reusing BG
			X	unknown
X				YES
	X	X		unknown
18	6	3	3	

- Berlin Group expected in large majority (78%) of countries.
- Open Banking and STET not fully bound to the UK and France.



all ASPSPs expected to apply the API standard



most or some ASPSPs expected to apply the API standard



few ASPSPs expected to apply the API standard

- Many adaptations* being made by national banking communities.

* Adaptations: interface implementations with changes to the functional and/or technical specifications of the respective API standard.



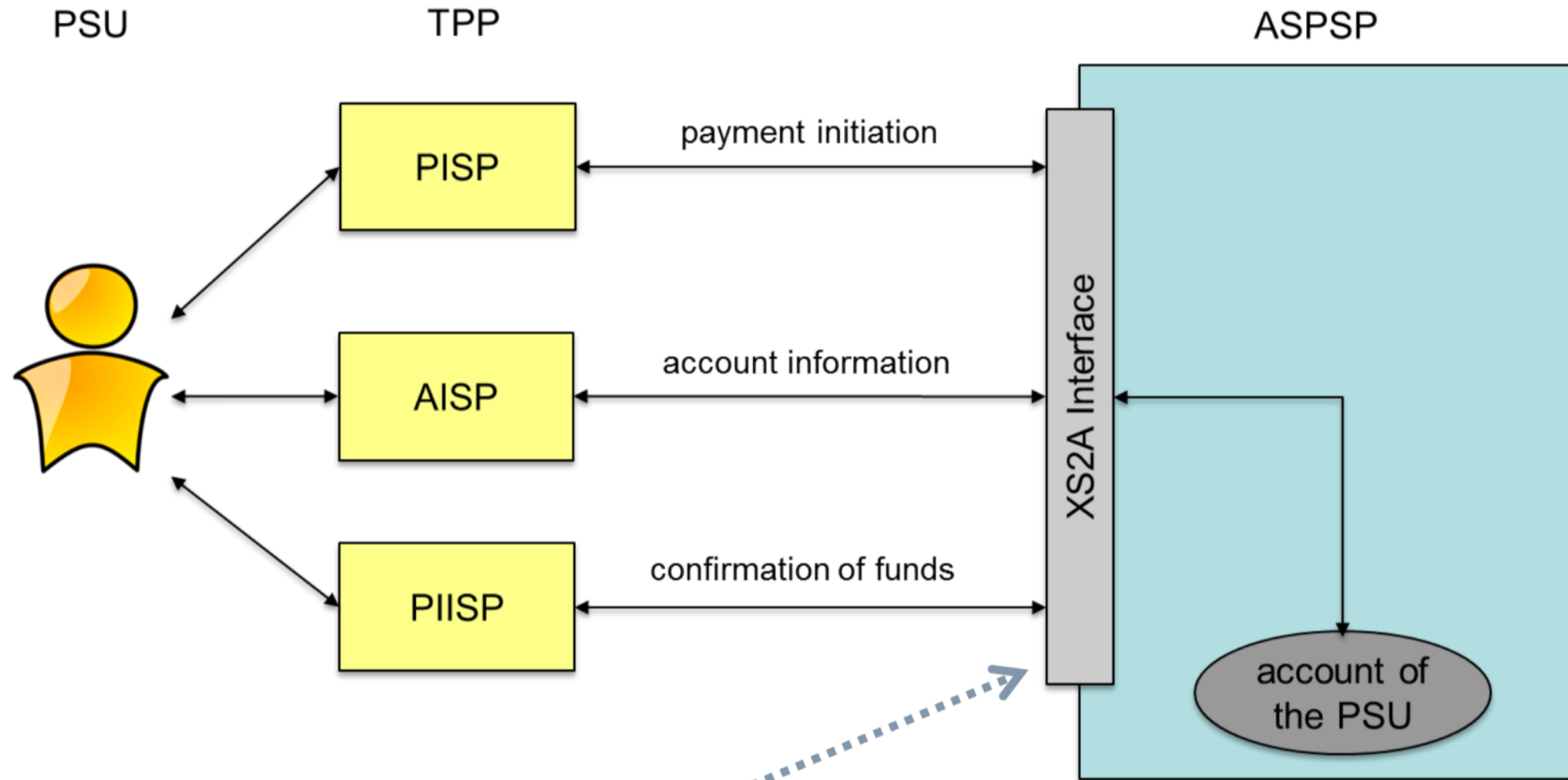
Standards Development
New Features since v1.0 at Operational Rules level



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XS2A interface and supported services



Focus of the work of the Berlin Group



Services supported by the XS2A interface

Core Services are supported by each implementation of the XS2A interface

- Payment initiation service
 - As defined by PSD2 article 66
- Account information service
 - As defined by PSD2 article 67
- Confirmation of funds service
 - As defined by PSD2 article 65
- No contract between ASPSP and TPP

Extended Services may be supported by an implementation of the XS2A interface

- Support to be decided by the ASPSP
- May be specified in future
 - First approach see session "Extended Value-Added Services" tomorrow
- Separated from the core services by different volumes of the specification
- A contract between ASPSP and TPP might be necessary



Key concepts: Strong customer authentication (SCA)

Strong customer authentication

- Requirement of PSD2 and RTS
 - For access to account information
 - For payment initiation
- Exemptions compliant with EBA RTS are possible
 - Exemptions are optional
 - Decision about an exemption is always in the responsibility of the ASPSP
- Strong customer authentication has to be used also if accounts are accessed by TPP using the XS2A interface
 - Same exemptions have to be applied



New features for strong customer authentication

The features for executing a strong customer authentication have been enhanced

- Integration of OAuth2 protocol as alternative to the redirect approach
- Multiple SCA of more than one PSU (focus on the corporate context)



New features for strong customer authentication

Integrated OAuth2 approach

- Additional approach for executing the strong customer authentication of the PSU
 - Embedded approach
 - Redirect approach
 - Decoupled approach
 - OAuth2 approach
- Integrated approach
 - Similar to the redirect approach, but redirection embedded into the OAuth2 protocol
 - "scope attribute" of the OAuth2 protocol used to link the OAuth2 authorisation request to the created payment/consent resource



New features for strong customer authentication

Multiple SCA of more than one PSU

■ Execution

- Steps for executing SCA of one PSU have to be repeated for each PSU associated to the account to be accessed
- Finishing the SCA of a PSU will result in a change of the status of the payment/consent resource
 - New status *PartiallyAcceptedTechnicalCorrect* (PATC) introduced
- TPP can access the resource to get the status (partially accepted/accepted)
- Payment initiation/consent only executed if SCA for all required PSU has been executed

■ Precondition

- The TPP has to know the authorisation requirements for the account to be accessed, or this is delegated to PSU



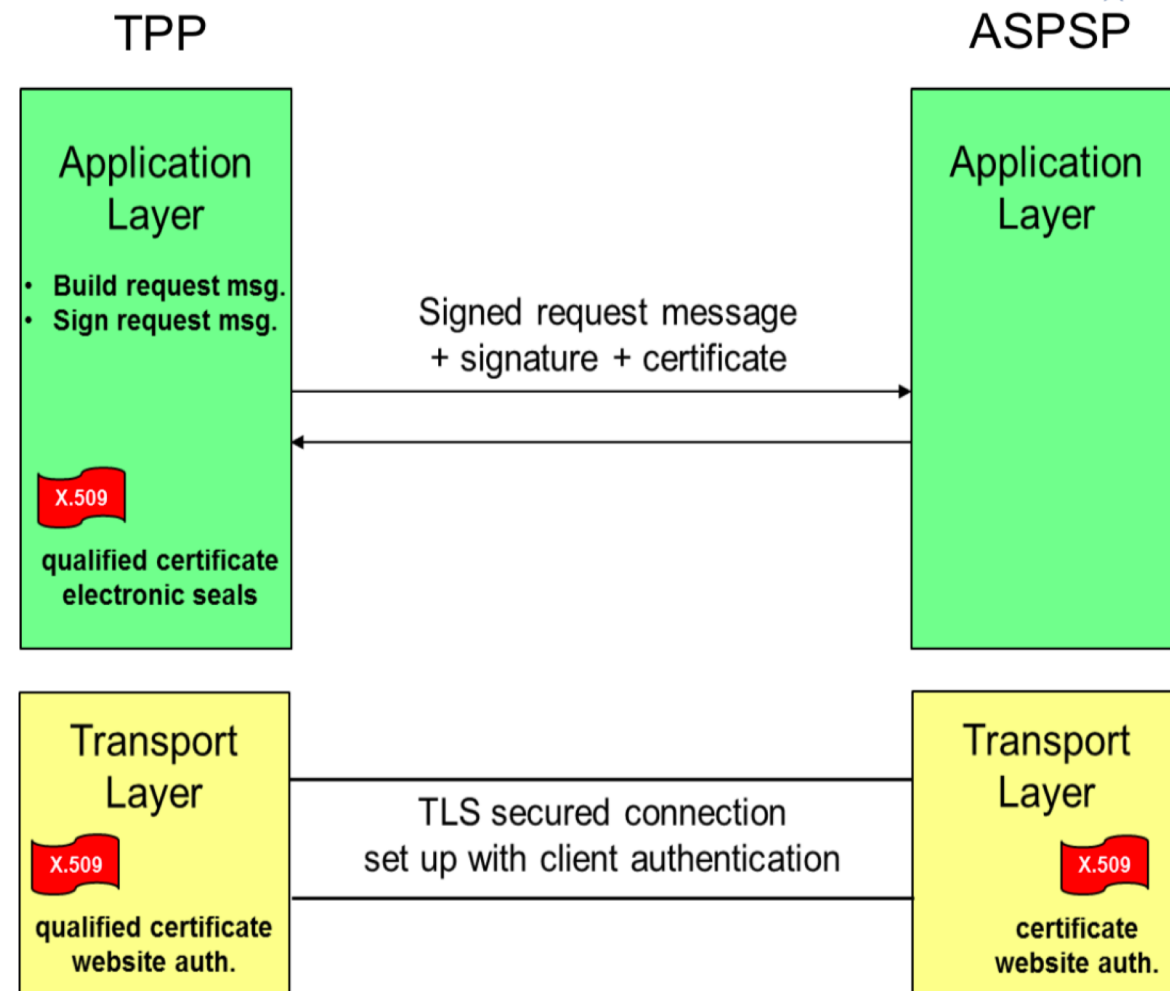
New use cases

Use Case (in addition to version 1.0)	Service	Optional	PSU involved
Future dated single payment	PIS	yes	yes
Bulk payment	PIS	yes	yes
Recurring payment	PIS	yes	yes
Cancellation of payments	PIS	yes	yes
Grouping transactions to signing baskets	AIS/PIS	yes	yes
Get account details (card account)	AIS	yes	no
Get balances (card account)	AIS	yes	no
Get transaction information (card account)	AIS	yes	no



Key concepts: Identification of a TPP at the XS2A interface

- Certificate shall contain the role of the TPP which is necessary for the corresponding transaction
- Always identification at transport layer
- Identification at the application layer only if requested by the ASPSP
- ASPSP will reject any request
 - If the identification of the TPP cannot be verified correctly
 - If the certificate does not contain the correct role





Motivation: Using website certificates vs. seals certificates

Implication for the Berlin Group specification of the XS2A interface

- The specification supports both worlds/approaches
 - certificates for website authentication are used at the protocol level for securing the setup of the TLS connection
 - this is mandatory, i.e. will be required by all "Berlin Group based" XS2A interfaces
 - certificates for electronic seals are used at the application level for securing application data by electronic seals
 - this is optional and up to the decision of the ASPSP.



Consent Management – 3 Consent Types

1. Standard Consent

PSU Consent

☒ **Recurring Access**

Valid until **12-Feb-2019**

Frequency per day **4**

Account Number:

DE40100100103307118608 **EUR**

☐ accounts

☐ accounts & balances

☒ accounts & balances & transactions

Account Number:

DE02100100109307118603 **USD**

☐ accounts

☒ accounts & balances

☐ accounts & balances & transactions

2. Bank Offered Consent

PSU Consent

☒ **Recurring Access**

Valid until **12-Feb-2019**

Frequency per day **4**

Account Number:

☐ accounts

☐ accounts & balances

☐ accounts & balances & transactions

- Extended Additional Optional Service, only the re-direct or decoupled SCA Method supported.
- The TPP sends an empty request.
- The result can be retrieved after the SCA with GET Consent Request.

3. Global Consent

PSU Consent

☒ **Recurring Access**

Valid until **12-Feb-2019**

Frequency per day **4**

Account Number:

All Accounts

ALL PSD2 Services

- Optional Service
- All SCA Methods supported.
- This consent request grants access to all available PSD2 accounts
- The result can be retrieved after the SCA with GET Consent Request.



Future Activities Structure
NextGenPSD2 Organisation & TPP Integration



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Berlin Group Vision

- True interoperability requires open, harmonised standards for processes, data and infrastructures
- True interoperability is an essential precondition for unlocking new business opportunities and creating competitive pan-European services that contribute to the European Single Market
- True interoperability benefits the payments industry as well as European consumers and businesses

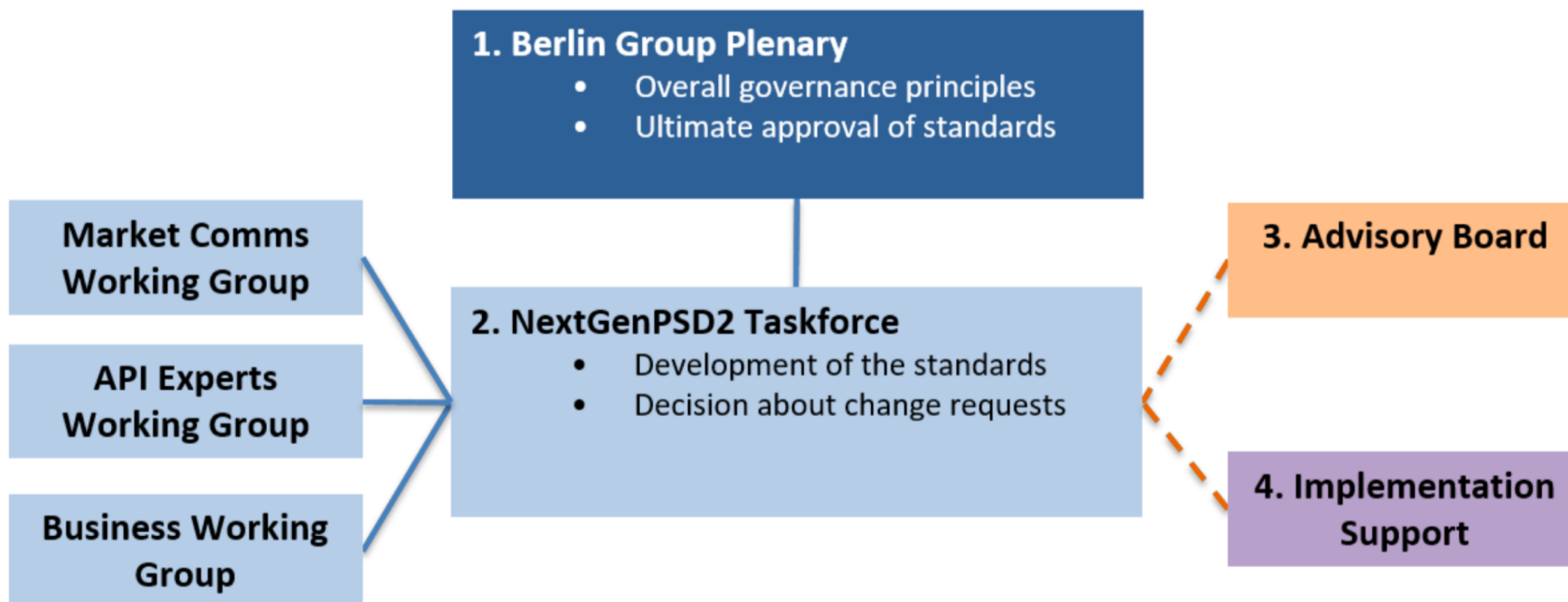


Different means to involve broader market interests

- Via direct market feedback using multiple channels
 - Via broad public and transparent market consultation
 - Via structured consultation with dedicated focus groups
-
- Broad public market consultation in 2017 (60 respondents, approx. 1,000 comments)
 - 2017/2018: process hundreds of questions, suggestions and support queries
 - March 2018: Explore setup of NextGenPSD2 Advisory Board



Envisaged structure with Advisory Board integrated



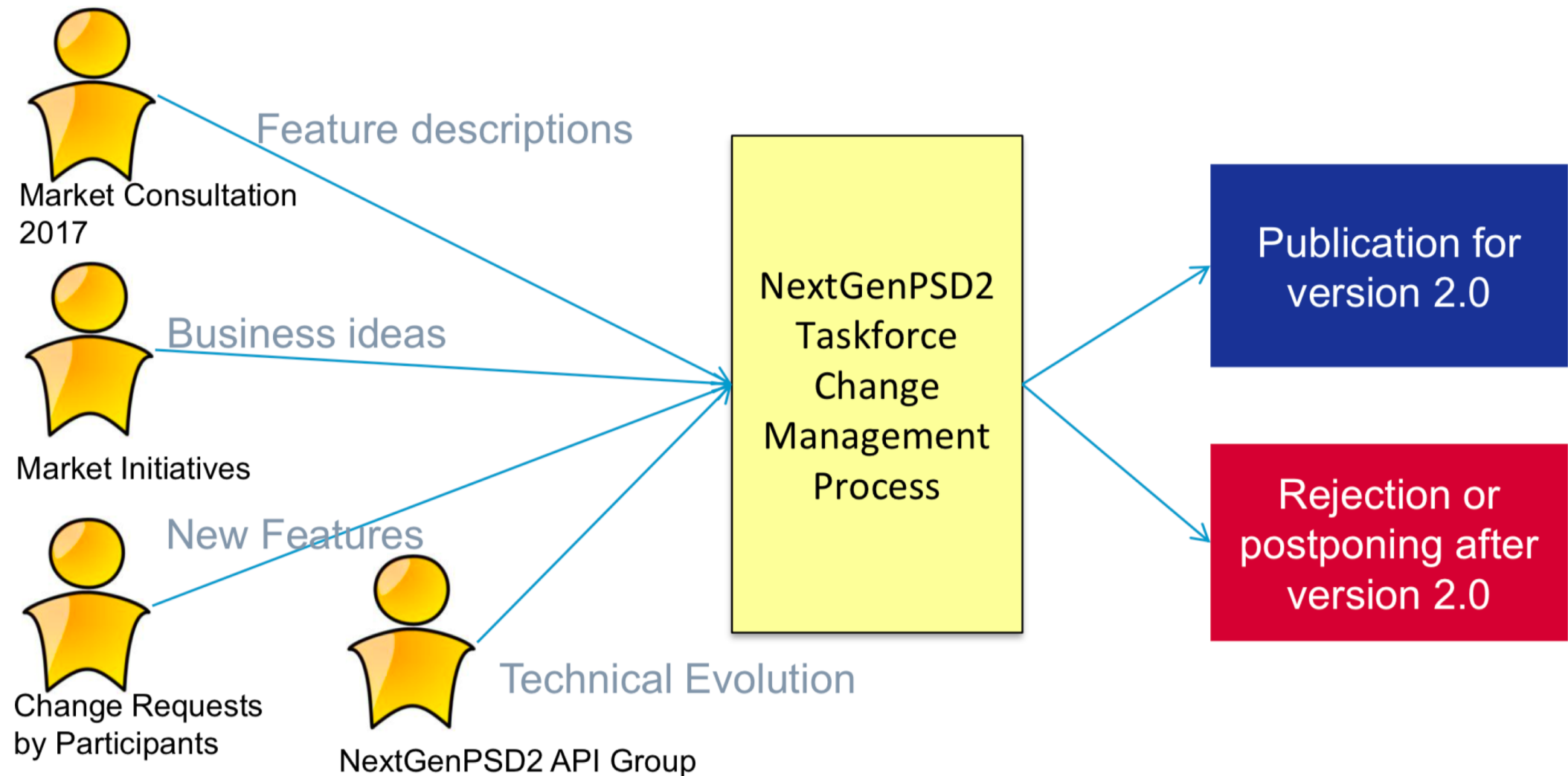


Major Outline of Change Management

- NextGenPSD2 Taskforce is deciding on consensus only
- Berlin Group Plenary is used as escalation committee
- Plenary will decide on Compliance Core only in consensus
- Plenary will decide on Added Value Services with quality majority
- Change Requests can be raised by NextGenPSD2 Taskforce or Advisory Board Members
- Ideas of the Market need to find a sponsor in NextGenPSD2 Taskforce or Advisory Board
- A technical CR management tool will be used in future



Sources of new features and further technical development 2019





Agreed Change Requests – Details to be defined in API Group

Technical Evolution of the Standard (Examples)

- Discuss further evolution/registration of content type usage with IANA
- How to enable the consent API to deal with added value services in future
- Discovery Service for the API
- Lean Dispute Management API

Added value services

- Registration for Confirmation of Funds
- Push Notification of transaction finalisation or transaction status change, e.g. in decoupled SCA approach
- Push Service for account entries, e.g. for incoming instant payments
- Integration of Mobile P2P Interoperability into PSD2 API within NextGenMobileP2P Taskforce



Change Requests with sponsors identified, to be discussed

Added value services

- Initiation of direct debits
- Installment payments (Pay later)



Major open items, without change request sponsor yet

- Delegated SCA Model
- Deferred Payment
- Extension of API to further account types
- Enhanced Account Information
- Functions for Trusted Beneficiary List
- Longer Periods for transaction history
- Confirmation of Funds with amount disposition



Fall back exemption



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EBA update PSD – What needs to happen

Piers Haben
Director, Banking Markets, Innovations and Consumers

NextGen Conference, 15 November, Berlin

GL on the exemptions to the fall back (iii)

- The EBA is still reviewing the responses to the Consultation Paper, but the main concerns raised appear to relate to:
 - The design and testing of the interface ‘to the satisfaction’ of TPPs;
 - ‘Obstacles’ under Art. 32(3) RTS and Redirection as a sole-method of access;
 - Proof of ‘Wide usage’ before September 2019;
 - Requests to add additional KPIs on performance;
 - The calculation of ‘Downtime’;
 - Involvement of TPPs in the exemption process;
 - Clarity on timelines.

- The EBA plans to issue the Final Guidelines by the end of 2018Q4



EBA RTS Fallback Exemption NextGenPSD2 Implementation Support Programme



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NISP Participants



As of 15 November 2018



NISP Workstreams

Compliance

- Maps PSD2, RTS, EBA Opinion and EBA Guidelines to NextGenPSD2 API definitions and best practices

TPP Testing

- Defines common testing framework for TPPs

ASPSP Testing

- Defines test concept and test case catalogue for internal ASPSP tests

ASPSP Certification

- Defines (self) attestation rules and processes for ASPSPs

Test Coordination

- Coordinates early interoperability tests between NISP participants



Workstream Notes

- The NISP Compliance Specification is mapping PSD2 Law, RTS, EBA Opinion and Guidelines to the NextGenPSD2 API definitions, best practices for back-end implementations and operations
- NISP Compliance Specification (functional requirements) is planned to be agreed with the addressed NCAs
- First version was already distributed to NCAs
- Aim is to identify at an early stage any potential issues in not achieving fallback exemption for NextGenPSD2 API implementations

Visas prezentācijas

Presentations Day 1+2 at Deutsche Bank in Berlin:

<https://xs2a-inpractice.eu/wp-content/uploads/sites/28/2018/11/NextGenPSD2-Conference-2018-Day-1-and-Day-2-Presentations.zip>

Presentations Day 3 at Société Générale in Paris:

<https://xs2a-inpractice.eu/wp-content/uploads/sites/28/2018/12/NextGenPSD2-Conference-2018-Day-3-Presentations.zip>