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Terms of Reference Application Programming Interface (API) Evaluation Group

(Approved by the API EG Members)

1. Scope and objectives

This document sets out the terms of reference for the Application Programming Interface (API) Evaluation Group (EG). The creation of the group was proposed by the European Commission (EC), as part of the final report¹ of the Euro Retail Payments Board (ERPB) Working Group on Payment Initiation Services (PIS) and welcomed by the ERPB as stipulated in its November 2017 meeting's Statement².

The API EG has the objective to evaluate standardised API specifications in order to help ensure that those standards are compliant with the requirements of the revised Payment Services Directive (PSD2) and meet the needs of all market participants. API standards will also need to be compliant with the final Regulatory Technical Standards (RTS) on strong customer authentication (SCA) and common and secure open standards of communication (CSC) (the RTS) and other relevant legislation. The API EG will make recommendations aimed towards API specifications convergence on a European level and to help establish harmonised market practices.

Moreover, the API EG will also provide a broadly supported source of market guidance relevant to market initiatives and account servicing payment service providers (ASPSPs) implementing dedicated interfaces. This guidance may also be of relevance to national competent authorities (NCAs) when deciding whether or not an ASPSP that has chosen to develop a dedicated interface should be exempt from the requirement to have a fallback option in place under Article 33(6) RTS on SCA and CSC, and in particular with regard to the common market acceptance criteria.

The API EG as such does not have any decision-making power toward NCAs as it is a market facing group. It has decision-making power in relation to the guidance and recommendations that it is responsible for.

The scope of the API EG will be all services and data which are to be made accessible for online payment accounts as per PSD2. This will be inclusive of both PIS and account information services (AIS) as well as card-based payment issuer instruments (CBPII). The API EG shall base its work on the final RTS, the final report of the ERPB Working Group on PIS and any future European Commission or EBA guidelines or Q&As. Upon completion of its PSD2 related tasks, the API EG could consider to extend its scope to other types of accounts.

¹ https://www.ecb.europa.eu/paym/retpaym/shared/pdf/8th-ERPB-meeting/PIS_working_group_report.pdf?483e4d28242cd84322850a01e549d116

² <https://www.ecb.europa.eu/paym/retpaym/shared/pdf/8th-ERPB-meeting/Statement.pdf?b05c49f62627dc533442125005e51a57>

2. Deliverables and time horizon

The API EG shall focus on the following activities and deliverables:

- Define objective API evaluation criteria and guidance, including the scope of information to be provided, implementation of authentication processes and PSU consent handling;
- Evaluate specific market API³ standardisation initiatives for conformance with the evaluation criteria and guidance, and to make recommendations to ensure that API standardisation initiatives fully meet the needs of all stakeholders;
- Evaluate representative examples of the practical implementation of specific API standardisation initiatives, i.e. specific APIs;
- Provide guidance to the market on key performance metrics, such as API security and performance requirements;
- Define high level principles and the market approach toward a common testing framework.

The NCAs, after having consulted the EBA, are responsible for the exemption of ASPSPs from having to provide the fall-back option. Where appropriate and possible, the EBA as observer on the API EG will convey the views of the group to the NCAs and provide feedback to the group.

The API EG shall commence its work in January 2018 and shall strive to as far as possible finalise its deliverables relevant to the evaluation of APIs by June 2018. Other deliverables and ongoing evaluation is expected to continue beyond June 2018, for example the work on a testing framework.

3. Composition

The API EG's composition, as defined by the EC, shall consist of:

- Three ASPSP representatives (EBF, ESG and EACB);
- Three third-party provider (TPPs) representatives;
- Three payment service user (PSU) representatives (EuroCommerce, Ecommerce Europe and BEUC);
- One representative from EMA;
- One representative from EPIF.

The representatives in this group have a duty to ensure that sufficient procedures are in place to enable them to consult with stakeholders within the market constituency that they represent.

The group will be co-chaired by one representative from the ASPSP community and one from the TPP community. The co-chairs shall be neutral and independent of the groups represented in the API EG. They will be responsible for proactively and objectively guiding the API EG in meeting its deliverables and ensuring coherence with its objectives. The co-chairs are elected and can be replaced by decision of the API EG.

³ The guidance provided by the API EG should also be relevant for ASPSPs that have implemented APIs not based on standards published by market API standardisation initiatives

Alternates will be allowed but only when the principal member is unable to attend a meeting; however, attendance by principal members is expected to ensure continuity. Guests will be allowed subject to approval by the co-chairs and on a case-by-case basis

The European Commission, European Banking Authority (EBA) and European Central Bank (ECB) shall be invited to support the work as observers, providing assistance to market players as required. The presence of observers on the API EG does not imply that the observers agree with the views expressed, and documents published, by the API EG, including its Terms of Reference.

Secretariat support will be provided by the European Payments Council (EPC).

The API EG will work via technical expert subgroup(s). To this end, the members of the API EG shall be invited to appoint technical experts who will participate in the evaluation of API specifications and to make recommendations. Technical experts should have a sound knowledge and practical experience of APIs in scope of PSD2 services. The membership of technical expert subgroup(s) shall strive to be balanced between market interest. Any subgroup(s) shall report to the API EG.

4. Organisation

The API EG will meet physically or by telephone conference or use a written procedure (by e-mail), according to the demands of its work programme. Moreover, dial-in participation to a physical meeting will be exceptionally allowed subject to the availability of a conference call facility.

Calls for meetings and draft agendas are expected to be issued two weeks in advance⁴ and meeting papers will be provided one week in advance (if feasible⁵). Minutes will be made available by the Secretariat, to all API EG members and observers within two weeks after meetings. The agendas, minutes and other approved deliverables of the API EG will be published on the EPC website to ensure full transparency.

The API EG will develop its deliverables on the basis of consensus. Voting can be used to determine consensus. A decision will be based on a simple 3/4 majority of full members that have voted. Abstentions will not be counted. Quorum is defined as 3/4 of the group membership.

5. Terms of Reference maintenance

The terms of reference are valid from the date of their approval by the API EG. They are subject to review and modification by the API EG at any time upon proposal from within the API EG.

The API EG will operate under these terms of reference from its inception until the expiration of its term.

⁴ For conference calls the aim will be to issue this one week in advance.

⁵ Depending on when documents are provided to the secretariat.