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# Summary of the 1ˢᵗ Meeting of the Application Programming Interface (API) Evaluation Group

## 29 January 2018, 11h00-16h00 CET
## EPC, Cours Saint-Michel 30A, 1040 Brussels

### (Approved by the API EG Members)

## 1. Welcome and introduction

The nominated co-chairs, J. Whittle (NPSO Ltd) and O. Berglund (Trustly Group AB) welcomed the participants to the inaugural meeting of the API Evaluation Group (EG). Please see Annex I for the list of attendees.

A 'tour de table' was initiated to give the participants an opportunity to introduce themselves.

J. Whittle welcomed the creation of this group as a great opportunity to make a difference in relation to the implementation of PSD2. He also informed that in case his nomination as co-chair would be approved, he would withdraw from his involvement in the governance of Open Banking UK and from participating in the Berlin Group to avoid any perception of a conflict of interest.

O. Berglund said that he was looking forward to helping ensure a constructive dialogue and added that in his view the API EG should provide as much guidance as possible to API standardisation initiatives in due time to avoid the potential risk of lost investments.

The API EG approved the nomination of the two co-chairs.

## 2. Regulatory updates from the European Commission

P. Pellé reported that at the latest meeting of the Committee on Economic and Monetary Affairs (ECON), the final Regulatory Technical Standards (RTS) on strong customer authentication (SCA) and common and secure open standards of communication (CSC) (the RTS) were considered to be a good compromise document. Also, the Commission has bilaterally addressed concerns of some Member States. No objections are expected from the European Parliament[1] nor from the European Council and hence the RTS will most likely be published in the Official Journal of the EU early in March 2018.

The EBA had however communicated some concerns in relation to the procedure followed and regarding the role (including related liabilities) it and the national competent authorities (NCAs) are expected to play with regard to exempting account-servicing payment service providers (ASPSPs) from having to provide the so-called fall-back mechanism.

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[1] The scrutiny period ends at the end of February 2018.

At this point in time it cannot yet be confirmed whether the EBA will participate as an observer in the API EG. In this regard it should also be noted that the API EG is an informal market group which results from the Euro Retail Payments Board (ERPB) Working Group (WG) on payment initiation services (PIS) and not the RTS.

The group discussed the implications of the EBA not being at the table and agreed that with the support of the EC, and ECB, the mission of the API EG was still achievable.

The representatives of the EACB and the EBF however stressed that clarity on the position of the EBA and the future status of the outcome of the API EG is essential. Some form of endorsement will be required to enable the NCA to use the outcome when evaluating API's.

## 3. Confirmation nomination of co-chairs

The API EG approved the nomination of the two co-chairs (see also item 1).

## 4. Approval of the agenda

The agenda was approved unchanged.

## 5. Review of the draft terms of reference for the API EG

The terms of reference were reviewed page by page. The ESBG representative had submitted comments via email to the API EG prior to the meeting, which were considered during the review.

The following comments were noted:

- The NCAs, after having consulted the EBA will have the final decision on whether an exemption to the fall-back mechanism will be provided. To this end, the wording in the terms of reference should be softened so that it is clear that the role of the API EG is to provide guidance without having a mandate from a legal point of view, whilst maintaining the importance of the work of the group.
- Focus should be on consistency with the RTS and PSD2.
- The RTS is about access to the accounts of the payment service users (PSUs) and hence PSU consent is an essential topic.
- The API EG represents all market participants which means that if a PSD2 API standard is approved it should be considered as 'market approved'. The API EG as such is however unable to guarantee ASPSPs that when using such an approved API standard they will be automatically granted an exemption. The co-chair J. Whittle was however of the opinion that when using an API that was 'market approved' the APSPs should have a better chance of obtaining an exception by the NCA. G. Boudewijn again stressed that it must be clarified how and why NCA's would consider the work of the group. This ties into the yet unclear role of the EBA in the group.
- The API EG can only define what a 'good' API based on a 'market approved' standard looks like.
- There should be a clear focus on the PSUs and on what is best from their perspective.
- The guidance provided by the API EG should also be relevant for ASPSPs implementing API standards other than those provided by a market initiative.
- In order to avoid receiving invitations from potentially 4000+ payment service providers (PSPs) it should be specified that the API EG will evaluate only 'representative' examples of the practical implementation of specific API standards.

- The deliverables should be organised in order of priority.
- Is there a need for a contact point for TPPs not represented in the API EG? The co-Chair O. Berglund informed that there is already an informal information sharing process ongoing between the TPPs but that they could try to formalise it.

The API EG concurred that any discussion on a possible extension of the scope to other accounts can only take place upon completion of the PSD2 related tasks. Moreover, it was agreed that the role and the composition of the API EG as well as the reason why it was created should be communicated to the public. This would be facilitated via a press release and publication of suitable material on the EPC website.

One of the members suggested that the API EG should be open to the public with a possibility for everyone to dial-in. This was however not seen as an ideal nor practical scenario especially in view of the June 2018 deadline. However, guest requests can be assessed on a case-by-case basis.

R. Jacob commented that he would be in favour of a pragmatic approach and suggested to try to be as accommodating as realistically possible. This especially due to the fact that on the TPP side (in contrary to the ASPSP side) individual organisations are represented. He however added that the EC had contacted the European Fintech Alliance to see if they would be interested in participating.

The composition of the API EG should however always ensure a balanced representation of the different market players. It could for example be clarified that PSPs are free to contact the EACB, EBF or ESBG in case they for example have specific concerns that they feel are not being addressed. The same would apply to TPPs who could contact the TPP organisations that are currently listed as members of the API EG.

It was also clarified that on an exceptional basis, members can join a physical meeting via dial-in (subject to availability of conference call facilities).

In order to expedite the process, an updated version of the draft terms of reference will be sent via email for review and approval to the API EG.

## 6. Review of the high-level project plan

The draft version of the project plan had been sent prior to the meeting to the API EG.

This project plan is based on the deliverables that were identified in the draft terms of reference. Some of the deliverables have been bundled and each deliverable was allocated to a group of API EG members:

1. "Define objective API evaluation criteria and guidance"[2] was allocated to the two co-chairs, K. Korus and G. Boudewijn.

2. "Evaluate API initiatives for conformance with the evaluation criteria and guidance" was allocated to A. Mac Dowell who was nominated by the API EG as linking pin between the API EG and technical expert group(s) (see also section 7).

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[2] Two other steps will be incorporated into this one i.e. "Definition of the scope of information to be provided" and "Approach(es) related to the standardisation and implementation of a dedicated interface"

3. "Provide guidance on key performance metrics, such as API security and performance requirements" was allocated to A. Houlihan and E. Johannsson/ B. Källman.

4. "Define high level principles and the market approach toward a common testing framework" and "Evaluate representative examples of the practical implementation of specific API initiatives, i.e. specific APIs" to be assigned to a combination of members responsible for deliverables 1 and 2 above.

5. "Communication to NCAs" was allocated to M. van Berkel, A. Börestam and R. Jacob.

The API EG concurred that only deliverables 1, 2 and 3 need to be completed to such an extent to have demonstrated value to the market by no later than June 2018, the other deliverable can flow after June 2018.

It was specified that in relation to deliverable 2, the focus would be on the five API standardisation initiatives that were listed in the November 2017 report of the ERPB WG on PIS (i.e. the Berlin Group, Open Banking UK, STET, Polish Bank Association and Slovak Banking Association).

As a first step, a kick-off workshop will be scheduled with these five API standardisation initiatives to provide them with concrete input on how the evaluation process is envisaged to take place, what already has been achieved and how the guidance produced by this group could support the API standardisation initiatives. Moreover, the API standardisation initiatives themselves will have an opportunity to ask questions and to provide a status update on their activities.

In a next phase, the API EG technical experts will need to analyse the API initiatives specifications. It was envisaged that multiple iterations could be envisaged although this could become challenging in view of the June 2018 deadline. Time is of the essence and feedback should be provided in due course to avoid or at least minimise potential disruptive effects.

R. Jacob added that the API EG can even enhance the value of the API initiatives. However, the API EG should carefully manage the expectations of the ASPSPs and introduce a caveat to explain that even when an API standard is considered to be 'good' by the API EG, a successful market test would still be required as well.

A. Börestam proposed that a progress report would be submitted to the June 2018 meeting of the ERPB.

## 7. Nomination of technical experts and related governance decisions

Each API EG member can nominate one or more technical expert(s). Depending on the number of technical experts that will be nominated a decision will have to be made whether there should be one or more technical expert groups. For both scenarios there are pros and cons. For example, in case of multiple teams the work could be divided and done in parallel which would speed up the process. On the other hand, if there is only one expert team it could take advantage of the learning curve effect. It was agreed to leave the organisation of the work to the technical experts themselves. What was considered important however is that the experts would work on the basis of the same point of departure, hence the importance of the work on the API evaluation criteria.

As already mentioned in section 6, the API EG appointed A. Mac Dowell as linking pin between the API EG and technical expert group(s).

API EG members will be invited to provide technical expert nominations by Monday 5 February 2018 cob.

Co-chair J. Whittle mentioned that it could be worthwhile to think of sponsoring in members of the (disbanded) API expert subgroup of the ERPB WG on PIS, as technical experts to the API EG in view of their relevant expertise.

## 8. Prioritisation of API initiatives to be evaluated

The API EG concurred that it would seem a logical choice to start with the evaluation of the Berlin Group API initiative in view of its geographical scope and to help avoid further fragmentation.

It was also clarified that although there may exist other API standardisation initiatives such as the one by the Czech Banking Association, the API EG will first focus on the five initiatives that were listed in the November 2017 report of the ERPB WG on PIS. In the future, it could even be feasible that the API evaluation guidance could become a sort of 'self-help' toolkit which can be used by all interested parties.

## 9. Definition of API evaluation criteria

The API EG will need to decide on which criteria ('golden rules') need to be fulfilled in order for an API standard to be accepted by the market.

A list of capabilities should be prepared (Deliverable 1) reflecting the needs of the different market players, including for example:

- Compliance with PSD2 and RTS.
- Convenient authentication journey.
- Different type of users (TPPs/PSUs).
- Data monitoring.
- Governance.
- Interoperability.
- …

It was mentioned that governance would be important to ensure that the API standard the ASPSP has implemented continues to fulfil the requirements over time. To this end it was questioned how much flexibility the ASPSPs would have following the implementation of an API standard and whether API standardisation initiatives could for example make certain features mandatory.

A draft API evaluation criteria template will be prepared which will be sent to the API EG to complete. A dedicated conference call will be scheduled on 22 February 2018 to review these criteria.

## 10. Review and approach 'other' deliverables

This topic was discussed under section 6.

## 11. AOB

No other topics were discussed.

## 12.  Meeting Calendar

The 2018 meeting calendar can be found in Annex III.

The following meetings will be scheduled in February 2018:

- 22 February 2018 (10:00-12:00 CET): API EG conference call dedicated to the review of the draft evaluation criteria.
- 27 February 2018 (13:30-18:00 CET): API EG meeting in Brussels - focus is to agree on the evaluation criteria and evaluation process.

- 28 February 2018 (09:00-10:30 CET): API EG meeting in Brussels - focus is preparation and run through for engagement with initiatives and any matters arising.

- 28 February 2018 (11:00-16:00 CET): Evaluation kick-off meeting in Brussels - Open to 2 representatives from each of the 5 initiatives and the API EG.

## 13.  Closure of the meeting

The co-chairs closed the meeting and thanked the participants for the constructive meeting.

## Annex I: List of attendees

| Category | Name | Institution | Attendance |
|---|---|---|---|
| Co-Chairs | James Whittle | NPSO Ltd | Yes |
| | Oscar Berglund | Trustly Group AB | Yes |
| TPP Members | Arturo González Mac Dowell[3] | Eurobits | Yes |
| | Aoife Houlihan | Klarna | Yes |
| | Ralf Ohlhausen | PPRO | Yes |
| ASPSP Members | Marieke van Berkel[4] | EACB | Yes |
| | Gijs Boudewijn | Dutch Payments Association (representing EBF) | Yes |
| | Benny Källman[5] | Swedbank (representing ESBG) | Yes |
| PSU Members | Jean Allix | BEUC | Yes |
| | Pascal König | Ecommerce Europe | Yes |
| | Pascal Spittler | IKEA (representing EuroCommerce) | Yes |
| Other Members | Thaer Sabri | EMA | Yes |
| | Krzysztof Korus | Polish Payment Institution Association (representing EPIF) | Yes |
| Observers | Ralf Jacob | European Commission | Yes |
| | Philippe Pellé | European Commission | Yes (Partly) |
| | Jens van Straalen | European Commission | Yes (Partly) |
| | Krzysztof Zurek | European Commission | Apologies |
| | Dirk Haubrich | EBA | Apologies |
| | Ann Börestam | ECB | Yes |
| Guest | Lorenzo Gaston | Gemalto (Convenor ISO TC 68 / SC2 / SG1 TPP) | Yes |
| Secretariat | Etienne Goosse | EPC | Yes |
| | Christophe Godefroi | EPC | Yes |

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[3] Alternate to Joan Burkovic
[4] Pablo Lahoz attended as from 3 PM
[5] Alternate to Emil Johansson

**Annex II: Action points**

| Item | Action | Owner | Status / Deadline |
|------|--------|-------|-------------------|
| 1-01 | Launch a call for candidates for the position of technical expert | EPC Secretariat | 29 January 2018 |
| 1-02 | Nominate (a) technical expert(s) | API EG Members | 5 February 2018 |
| 1-03 | Distribute an updated draft version of the terms of reference | EPC Secretariat | 1 February 2018 |
| 1-04 | Review the updated draft version of the terms of reference and provide comments (if applicable) | API EG Members | 7 February 2018 |
| 1-05 | Invite the 5 API standardisation initiatives to the API Evaluation workshop on 28 February 2018 | EPC Secretariat co-chairs | 2 February 2018 |
| 1-06 | Prepare an API evaluation criteria template | EPC Secretariat co-chairs | 16 February 2018 |
| 1-07 | Send outlook invitations for the next meeting of the API EG | EPC Secretariat | 9 February 2018 |
| 1-08 | Create a dedicated page on the EPC website where documents such as approved agendas, approved, minutes, terms of reference etc. will be published | EPC Secretariat | 16 February 2018 |

## Annex III Meeting Calendar

| 2018 | API EG Meetings |
|---|---|
| **January** | **29 January 2018 (11:00-16:00 CET)**<br>EPC, Brussels |
| **February** | **22 February 2018 (10:00-12:00 CET)**<br>Conference call |
| | **27 February 2018 (13:30–18:00 CET) – preceded by lunch as from 12:45 CET**<br>EPC, Brussels |
| | **28 February 2018 (9:00-10.30CET)**<br>**28 February 2018 (11:00-16:00 CET) API Evaluation Workshop with 5 API standards initiatives**<br>Brussels – EBF |
| **March** | **27 March 2018 (09:00-17:00 CET)** [6]<br>Brussels – EPC |
| **April** | **25 April 2018 (10:30-16:00 CET)**<br>Brussels – Venue to be confirmed |
| **May** | **29 May 2018 (10:30-16:00 CET)**<br>Brussels – Venue to be confirmed |
| **June** | **25 June 2018 (10:30-16:00 CET)**<br>Brussels – Venue to be confirmed |

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[6] Note in editing: The 27 March meeting time and place was confirmed later.