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Summary of the 3rd Meeting of the API Evaluation Group

27 February 2018, 13h30-18h00 CET EPC, Cours Saint-Michel 30A, 1040 Brussels

(Approved by the API EG Members)

1. Welcome and introduction

The co-chairs, J. Whittle (NPSO Ltd) and O. Berglund (Trustly Group AB) welcomed the participants to the third meeting of the API Evaluation Group (EG). A 'tour de table' was initiated to allow participants to introduce themselves. Please see Annex I for the list of attendees.

To ensure efficient communication, J. Whittle suggested that in case there is a need for a debate that this should be handled via a conference call or physical meeting rather than sending emails to all. The API EG should also think about how it should best communicate to the external world and how it conducts itself as a team.

Reference was made to the publication of the position of the Future of European Fintech (FoEF) group in relation to API requirements. Account-servicing payment service provider (ASPSP) representatives were of the opinion that it should ideally be avoided that this type of discussions is held via the public domain as it creates confusion and can lead to defensive reactions. They felt it would have been helpful if the API EG would have been informed prior to the publication of this document. Nevertheless, it is useful input which the API EG could take into consideration.

The European Commission (EC) representative R. Jacob was of the view that everyone should be allowed to put things on the table and if deemed reasonable these topics could be discussed within the API EG. Although the final Regulatory Technical Standards (RTS) on strong customer authentication (SCA) and common and secure open standards of communication (CSC) (the RTS) stipulate that market participants need to be satisfied, it does however not mean that every requirement needs to be satisfied for the full 100%, i.e. concessions need to be made. He therefore suggested to start with an open process following which the API EG could filter through the list of requirements. It is important that there is two-way communication as both sides have needs and requirements.

There are however diverging views on what could be considered to be a 'good' API. Third party providers (TPPs) cannot support an API that would provide less service than what is provided today (this would not generate market acceptance). ASPSPs on the other hand are of the view that a 'good' API could be based on PSD2 compliance.

The ASPSP representatives informed that they do not have the mandate to discuss about API requirements that go beyond what is within the scope of PSD2.

J. Whittle reminded that API EG members are joined by the fact that they need each other in order to increase the chances of getting an exemption from providing a fallback solution. An exemption will not be provided unless the API functions well and provides an experience that is at least as good as offered today. There will of course always be caveats regarding what 'good' looks like. But there are also requirements which all members can support such as for example the need of reducing the possibility of fraud.

R. Jacob reiterated that the basic interpretation of PSD2 is about not hindering innovation and allowing TPPs to act on behalf of payment service users (PSUs). If ASPSPs have concerns about the intervention of TPPs in the context of the General Data Protection Regulation (GDPR) then this should be part of the API EG process.

J. Whittle summarised that there is a need for clarity on what is PSD2 compliance from a market facing perspective. He added that the API EG will most likely discover different aspects about what the scope entails and about this the group will need to negotiate. Moreover, the group will also need to learn to be comfortable with working with a certain degree of ambiguity. The aim is for the API EG to move forward carefully and to start with reconciling topics for which there are still diverging views.

2. Approval of the agenda (API EG 010-18)

The agenda was approved unchanged.

3. Approval of summaries of previous meetings (API EG 006-18; API EG 012-18)

The summary of the inaugural meeting held on 29 January 2018 was approved, including the change suggestions provided prior to the meeting by the EACB and EBF. In response to a comment received, J. Whittle moreover commented that he felt comfortable with the level of detail provided in this document.

In the summary of the second meeting which was held as a conference call on 22 February 2018, it is noted that the EC and EBA as observers to the API EG will be invited to provide further clarification in relation to the draft requirement which states that "The API must not require the TPP to only redirect the PSU to the ASPSP in any part of the flow." R. Jacob however commented that the EC as such does not have strong views on this topic and that the API EG itself should have a discussion in order to agree on a solution that would satisfy both the ASPSPs and TPPs. The discussion should focus on what a 'good' API looks like and the November 2017 report of the ERPB Working Group (WG) on payment initiation services (PIS) should be used as a steer.

There remain divergent views on the topic of redirection. From the ASPSP side it was commented that the understanding was that redirection would be less of an issue for TPPs as long as a seamless customer journey could be guaranteed. O. Berglund informed that a redirection approach would however hinder innovation as it is limited to web-based authentication and hence for example voice-based credentials could not be used in this scenario. He continued by saying that the ERPB WG report clearly indicates that the PSU should not be required to access an ASPSP webpage as a part of the authentication process or any other relevant function. The EBF representative however commented that from their side they do not necessarily agree with all the content of this report. The view of the account information service providers (AISPs) is that the more the ASPSPs can open the scope of the API the more the AISPs can rely on the authentication process of the ASPSPs.

The summary of the second meeting was approved subject to a couple of minor editorial changes. The two approved summaries will be published in due course on a dedicated section of the EPC website.

4. Regulatory updates

R. Jacob confirmed that the RTS is expected to be published in the Official Journal of the EU early in March 2018.

EBA representative D. Haubrich thanked the API EG for inviting the EBA and the EC for giving the impetus to the creation of this group. He explained that it was quite unusual for a supervisory body to become a participant of such a group and that even though the EBA is not an active observer it does not mean that the EBA will remain silent. Technical assistance will be provided whenever possible.

He also provided some change suggestions to the terms of reference of the API EG and in particular in relation to how the role of the EBA and the national competent authorities (NCAs) is described. For example, it will be the task of the NCAs to make their own assessment. The API EG as such can hope but cannot expect that its guidance will be taken into account by the NCAs. Moreover, it should be clarified that 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. Moreover, following a suggestion from the EACB representative the EBA agreed to include a sentence in relation to the fact that 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. Ideally questions from the API EG should be provided in writing to the EBA representatives.

The EBA comments on the terms of reference will be provided via email to the API co-chairs and secretariat. J. Whittle clarified that following a review of these comments, the terms of reference will be finalised for publication on the EPC website.

D. Haubrich furthermore informed that API performance will depend on the API infrastructure used, that the infrastructure is likely to vary between ASPSPs, and that one conceivable interpretation of the requirement added to the RTS could therefore be that NCAs would have to assess each of the approximately 6,000 ASPSPs in the EU separately. He clarified that the NCAs do not have the necessary IT-skills nor personnel to do this work, nor can the EBA itself be involved in such a high number of assessments. How the process will work is not yet defined at this point in time. What is known is that the NCAs are not in a position to outsource to the industry the responsibilities allocated to them in the latest version of the RTS. The role of the NCAs will be to interpret the RTS and to assess whether an ASPSP complies, while the EBA would want to contribute to a harmonised approach across all NCA, although the details of the interaction between the EBA and the NCAs is yet to be agreed with the NCAs. To this end and to provide clarity to the market, the EBA would endeavour to publish its expectations, to the extent that agreement can be reached with the 28 national authorities. This is currently a work in progress.

5. Approval evaluation criteria and evaluation process (API EG 008-18)

The API EG continued¹ its review of the draft API standard requirements.

J. Whittle noted that the aim would be to present a first list of requirements for the engagement with the API standard initiatives during the API Evaluation Workshop of 28 February 2018.

It was suggested that for each of the requirements a rationale could be included and that the addition of some type of categorisation would help structure the document. This could however be done at a later stage.

Following a detailed review, the API EG concurred to present a total of eight API standard requirements to the API standard initiatives (see Annex IV).

The following comments were noted in relation to some of these requirements:

Requirement 1: "The API standard should enable both AIS and PIS in one single combined (technical) communication session."

- This requirement is copied from the ERPB WG on PIS report.
- Consent for PIS and AIS differ (for example in case of PIS the consent is limited to one transaction).

Requirement 2: "The API standard should support PIS and AIS for online payment accounts (individual/consumer and corporate payment accounts)."

- A distinction should be made between APIs and specifications. The requirements are related to specifications, but the API EG might also need to understand how it will work once the API is implemented.

Requirement 3: "The API standard should enable the following role-based access: (i) a "pure PIS" user journey, implying the payment execution SCA only; (ii) a mixed AIS/PIS journey in one session, implying one SCA to view data (including for example balances and account related data), and one payment execution SCA; (iii) a "pure AIS" journey, implying one SCA to view data (no payment execution); (iv) Card based payment instrument issuer (CBPII) confirmation of available funds."

- There is no clarity nor consensus as yet with regard to who can apply SCA (ASPSPs/TPPs).
- Need to understand how granular the API standard initiatives have built their specifications to accommodate the variety of possible SCA methods.
- The EACB, EBF and ESBG commented that they would need to revisit this requirement following having received further clarifications.
- For AISPs, the management of SCA is essential.
- D. Haubrich commented that it could be worthwhile to check the summary of responses to the consultation and the EBA's analysis which was published in a 100-page feedback table at the end of the Final Report in February 2017.

The API EG concurred to park this requirement. As a first step a clear problem statement should be written up in order to try to reconcile a common understanding. Use cases on both sides should be clearly described.

¹ Initial review of the draft API standard requirements took place during the 22 February 2018 conference call.

Requirement 4: “The API standard should not require any additional checks of the consent given by PSUs in addition to the consent given to the TPP.”

- R. Jacob commented that the ASPSP should be reassured that consent was given and is appropriate for the service that is given. Whether this would relate to a ‘full’ consent or just a confirmation that SCA has taken place is another question (i.e. whether APIs should communicate this type of info). A situation should be avoided whereby ASPSPs have to check with the PSU that they indeed have given their consent for something.
- J. Allix commented that NCAs could ask for a proof of consent and that the proof of consent should also be provided to the ASPSP.
- There might be different types of consent.
- In Open Banking UK consent is given for different type of data clusters under PSD2. The ASPSP has no way to check for what the consent is given.
- The EC is working on getting a better understanding about the interplay between consent in PSD2 versus GDPR.
- G. Boudewijn commented that granularity of consent is irrelevant if you have processing grounds (GDPR).

When reviewing the API standard requirements, it should also be ensured that words such as ‘must’, ‘should’ and ‘shall’ are used in a consistent manner.

6. Organisation technical expert subgroups (API EG 007-18)

A. Mac Dowell who will act as a linking pin between the API EG and the technical experts informed that a total of 27 technical experts had been nominated.

As a next step, the technical experts will be allocated to five subgroups, whereby each subgroup will focus on one of the five API standard initiatives (i.e. the Berlin Group, Open Banking UK, STET, Polish Bank Association and Slovak Banking Association). The composition should be balanced, and a conflict of interest should be avoided meaning that experts that are deeply involved in one of the initiatives cannot be allocated to the subgroup that will evaluate that specific initiative. A coordinator will be appointed for each subgroup. A. Mac Dowell with the help of the API EG co-chairs will start with the allocation of experts to the different subgroups for review during tomorrow’s meeting of the API EG.

It was commented that it would be important that the different subgroups would apply the same methodology when approaching the API standard initiatives and when reporting back to the API EG. Although the subgroups should manage themselves it was agreed that clear guidance would need to be provided. J. Whittle proposed to prepare a paper with a high-level description of recommended ways of working.

R. Jacob commented that there would indeed be a need for consistency but that this should be primarily the role of the API EG. In addition, D. Haubrich noted that it could be worthwhile that the technical experts are informed about the API EG terms of reference so that it is clear to them that “increasing the chance of getting an exemption to the fallback solution” is as far as we can go. In order to manage expectations this should also be clearly explained to the API standard initiatives.

J. Whittle furthermore informed that requests had been received from other organisations such as FDATA, ACI, Accenture and Intuit to participate in the API EG. The API EG however agreed that the API membership should not be changed in order

to respect the definition of the composition provided in its terms of reference. Additional technical experts can however still be sponsored in via API EG members.

7. AOB

At the February 2018 conference call of the ERPB WG on PIS it was suggested to check with the API EG whether it will define high level principles for a common testing framework as part of its work (as stipulated in the November 2017 ERPB statement). This to avoid overlap between these two groups.

J. Whittle commented that the API EG terms of reference indeed cover the topic of testing but that it is however not a priority right now. If the ERPB WG on PIS believes that this work would need to be tackled sooner, then the suggestion would be for the ERPB WG to start working on it. In addition, the technical expert subgroups could also be invited to share their views on the topic of testing.

D. Haubrich commented that testing under the RTS is a keen interest of the NCAs, given the responsibilities assigned to them in the latest version of the RTS.

8. Closure of the meeting

The co-chairs closed the meeting around 18h00 CET and thanked the participants for the constructive meeting.

(Note: The API Evaluation Workshop which takes place on 28 February 2018 will be preceded by a preparatory API EG 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	Joan Burkovic	Bankin'	Yes
	Aoife Houlihan	Klarna	Yes
	Ralf Ohlhausen	PPRO	Yes
ASPSP Members	Marieke van Berkel	EACB	Yes
	Gijs Boudewijn	Dutch Payments Association (representing EBF)	Yes
	Emil Johansson	Swedbank (representing ESBG)	Yes
PSU Members	Jean Allix	BEUC	Yes
	Pascal König	Ecommerce Europe	Apologies
	Pascal Spittler	IKEA (representing EuroCommerce)	Yes
Other Members	Ruth Mitchell ²	EMA	Yes
	Krzysztof Korus	Polish Payment Institution Association (representing EPIF)	Yes
Observers	Ralf Jacob	European Commission	Yes
	Jens van Straalen	European Commission	Yes
	Dirk Haubrich	EBA	Yes
	Nilixa Devlukia	EBA	Yes
	Iddo de Jong	ECB	Yes
Linking pin with technical experts	Arturo G. Mac Dowell	Eurobits	Yes
Guest	Lorenzo Gaston	Gemalto (Convenor ISO TC 68 / SC2 / SG1 TPP)	Yes
Secretariat	Etienne Goosse	EPC	Yes
	Christophe Godefroi	EPC	Yes

² Alternate to Thaeer Sabri

Annex II: Action points

Item	Action	Owner	Status / Deadline
3-01	Provide comments on the API EG terms of reference via email.	D. Haubrich	27 February 2018
3-02	Prepare a 'ways of working' document as guidance for the technical expert subgroups.	J. Whittle	28 February 2018
3-03	Prepare an updated version of the terms of reference, including the comments received from the EBA.	EPC secretariat	28 February 2018
3-04	Prepare the technical expert subgroup allocation.	A Mac Dowell co-chairs	28 February 2018
3-05	Prepare a document which lists the first eight API standard requirements as input for the API Evaluation Workshop.	EPC secretariat	28 February 2018
3-06	Publish the approved terms of reference, membership list and the agendas and summaries of the first two meetings on the EPC website.	EPC secretariat	2 March 2018

Annex III Meeting Calendar

2018	API EG Meetings
January	<p align="center">29 January 2018 (11:00-16:00 CET) EPC, Brussels</p>
February	<p align="center">22 February 2018 (10:00-12:00 CET) Conference call</p>
	<p align="center">27 February 2018 (13:30–18:00 CET) – preceded by lunch as from 12:45 CET EPC, Brussels</p>
	<p align="center">28 February 2018 (9:00-10.30CET) 28 February 2018 (11:00-16:00 CET) API Evaluation Workshop with 5 API standards initiatives EBF, Brussels</p>
March	<p align="center">27 March 2018 (09:00-17:00 CET)³ Brussels – EPC</p>
April	<p align="center">25 April 2018 (10:30-16:00 CET) Brussels – Venue to be confirmed</p>
May	<p align="center">29 May 2018 (10:30-16:00 CET) Brussels – Venue to be confirmed</p>
June	<p align="center">25 June 2018 (10:30-16:00 CET) Brussels – Venue to be confirmed</p>

³ Note in editing: The 27 March meeting time and place was confirmed later.

Annex IV: API standard requirements - Input to the 28 February 2018 API Evaluation Workshop (work in progress)

N°	Description of API Standard Requirements	Rationale
1.	The API standard should enable both AIS and PIS in one single combined (technical) communication session.	Smooth integration in a technical communication session for all the roles in scope of PSD2 (AIS & PIS).
2.	The API standard should support PIS and AIS for online payment accounts (individual/consumer and corporate payment accounts).	
3.	<p>The API standard should enable the following role-based access:</p> <ul style="list-style-type: none"> (i) a "pure PIS" user journey, implying the payment execution SCA only; (ii) a mixed AIS/PIS journey in one session, implying one SCA to view data (including for example balances and account related data), and one payment execution SCA; (iii) a "pure AIS" journey, implying one SCA to view data (no payment execution); (iv) Card based payment instrument issuer (CBPII) confirmation of available funds. 	
4.	The API standard should not require any additional checks of the consent given by PSUs in addition to the consent given to the TPP.	
5.	The API standard should allow for the ASPSP and TPP to fulfil all their legal obligations (GDPR & PSD2).	
6.	The API standard should enable a secure data exchange between the ASPSP and the TPP, mitigating the risk for any misdirection of communication to other parties.	
7.	The API standard (including any definition of data structures) should conform to (widely used) standard(s) issued by international or European standardisation organisations.	API EG expects that implementation of the standard does not create obstacles.
8.	The API standard should be built in such a way to allow the measurement of the API performance.	