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Summary of the API Evaluation Workshop

28 February 2018, 11h00-16h00 CET

EBF, Avenue des Arts 56, 1000 Brussels

(Approved by the API EG Members)

1. Welcome and introduction

The co-chairs of the API Evaluation Group (EG), J. Whittle (NPSO Ltd) and O. Berglund (Trustly Group AB) welcomed the participants to the API Evaluation Workshop which included API EG members, technical experts nominated by API EG members and representatives of five API standard initiatives (i.e. the Berlin Group NextGenPSD2, Open Banking UK, Stet, Polish Bank Association and Slovak Banking Association) which had been identified in the report of the Euro Retail Payments Board (ERPB) Working Group (WG) on payment initiation services (PIS).

A 'tour de table' was initiated in order to allow the participants to introduce themselves.

2. Introduction by the European Commission (EC)

The EC representative provided the following introduction in relation to the creation of the AP EG:

- The EC and ECB initiated the establishment of the API EG. The API EG is however led by market participants.
- The EC believes that the success of PSD2 will depend on the EU moving to an 'Open Banking' environment. The legislator did not make this mandatory however.
- A lot of discussions have taken place following the release of the PSD2 and the final Regulatory Technical Standards (RTS) on strong customer authentication (SCA) and common and secure open standards of communication (CSC) (the RTS), in particular in relation to 'screen-scraping'.
- The RTS requires account-servicing payment service providers (ASPSPs) to develop an interface that third-party providers (TPPs) are required to use. Questions were raised in particular on how to ensure that the dedicated interfaces would be good enough for TPPs to deliver their services to payment service users (PSUs).
- The EC proposed to introduce a fallback mechanism which ASPSPs would need to provide in case an API would not be up to scratch. TPPs on the other hand would need to i) identify themselves towards the ASPSPs, ii) log data that is transmitted and iii) justify the use of the ASPSP's online interface as a fallback solution.
- ASPSPs however want to avoid having to provide both a dedicated interface and a fallback solution. To incentivise the development of well-functioning APIs it was established that ASPSPs would not need to provide a fallback solution when the API they are providing functions well.
- To better understand what a 'good' API looks like it would be necessary to define detailed requirements about the functionalities that a 'good' API would need to offer. As the EC could not anticipate all possible issues it was decided to leave it up to the market to decide what it needs from an API.

- The EU Council and Parliament scrutiny period in relation to the RTS ended on 27 February 2018 and hence the RTS is expected to be published – and consequently enter into force - in the coming weeks in the Official Journal of the EU.
- The market will have 18 months to put in place APIs. During this transposition period the APIs will have to be defined, implemented and tested. If this deadline is missed, then ASPSPs will have to put in place the fallback mechanism.
- The goal of the API EG is to help ensure that ASPSPs will introduce APIs that are accepted by the market, phase out screen-scraping and make it easier for new players to enter the market based on a standardised interface.
- The ECB and EC wanted ASPSPs, TPPs and PSUs to get together to work out what is needed for API and how this can be delivered. As a practical way forward, it was suggested to look at existing API standard initiatives and see whether they fulfil the key requirements. The use of standards that fulfil the requirements will be the best way to increase the chance of getting an exemption from providing a fallback solution.
- If all goes well, the API EG will help the API standard initiatives in understanding the business needs and legal requirements of the market players. ASPSPs using standards that fulfil the requirements will increase their chances of getting an exemption from providing the fallback solution. Moreover, if APIs are used that are accepted by the market then the national competent authorities (NCAs) will have less complaints to deal with. In the absence of complaints, it should be easier to grant an exemption.
- Once the ASPSPs and TPPs will start using these APIs, the EC hopes to see exciting new services which are safe, convenient and low cost.
- The aim is that the API EG can finalise its work in relation to the API requirements by June 2018 so that the ASPSPs can start working on APIs and offer them for testing in a timely fashion.

It was questioned whether the NCAs had already indicated whether they would use the output of the API EG. The API EG is a market facing group and hence not part of the decision-making process of the NCAs or the EBA. The EBA will however work with the NCAs in order to frame its relationship with the API EG. The output of the API EG will be valuable for the NCAs but at the end of the day it will be the NCAs decision whether to provide an exemption or not.

J. Whittle informed that the terms of reference of the API EG also include a clear statement on the topic of interplay between the API EG, the EBA and NCAs. The API EG as such does not have any power to instruct anyone to do anything.

3. Introduction of the API Evaluation Group

Objectives and terms of reference

The terms of reference of the API EG were presented to the workshop participants.

As stated in its terms of reference, 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 PSD2 and meet the needs of all market participants. API standards will also need to be compliant with 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 ASPSPs implementing dedicated interfaces.

J. Whittle informed that this initiative provides a unique opportunity as the market can work closely with the EU authorities on what a 'good' API looks like. Exemption from providing a fallback solution is not going to happen if participants in the market are not happy and hence the importance of defining clear market acceptance criteria.

Timing wise, the API EG believes in progressing a publication of requirements for a 'good' API by June 2018. It should however be clear that at this point in time the API EG does not have all the answers and hence the aim of setting up a partnership engagement with the API standard initiatives.

The following deliverables are listed in the terms of reference:

- 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 API¹ 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 API EG will not develop standards. Its role is rather to define API standard requirements to engage with the API standard initiatives in order to help guide them towards what a 'good' API looks like. The API EG will also need to test to a certain degree, but it will not be able to check all the APIs in the market. Moreover, the aim of the API EG is to reach a consistent view that can be applied in each of the markets in order to create a harmonised pan-European approach.

It was commented that it would be difficult to evaluate representative APIs as they will most likely only be available at the beginning of 2019. Nevertheless, as a start the evaluation could be based on a document level and later it could be done on a technical level.

The API EG will however never act as a court of appeal. The API EG will go through a set of questions to get a refined opinion of what the qualities are an API standard needs to support. If an initiative finds itself out of alignment, then this would send a strong signal that this particular initiative could face some challenges. It will also be the role of the API EG to send this message to the initiative.

It was noted that the API EG is looking at prioritising its workplan and that currently the definition of objective API evaluation criteria and providing related guidance is one of its top priorities.

The API EG's composition is defined as follows:

¹ 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

API Evaluation Group

- Three ASPSP representatives (EBF, ESG and EACB);
- Three TPP representatives;
- Three PSU representatives (EuroCommerce, Ecommerce Europe and BEUC);
- One representative from EMA;
- One representative from EPIF.

The co-chairs shall be neutral and independent of the groups represented in the API EG. If anyone has a question, then they can reach out to the API EG member that represents their sector. The goal is however to ensure consistency and hence the membership composition will not be changed.

The API EG terms of reference, membership list, approved minutes will all be published on the EPC website in due course.

Finally, it was commented that the presence of observers (i.e. EBA, ECB and EC) on the API EG does not imply that these observers agree with the views expressed, and documents published, by the API EG.

Ways of working including expert groups

Approximately 27 technical experts have currently been nominated by API EG members. Should anyone want to introduce a new technical expert then this is still possible via contacting one of the API EG members.

The aim is to allocate the technical experts to five dedicated subgroups, whereby each subgroup will focus on one of the five API standard initiatives (i.e. the Berlin Group NextGenPSD2, Open Banking UK, STET, Polish Bank Association and Slovak Banking Association). The composition should be balanced, and conflict of interest should be avoided. A coordinator will be appointed for each subgroup.

A. Mac Dowell has been appointed as a linking pin between the API EG and the technical expert subgroups in order to ensure consistency. On a practical level it is envisaged that the technical experts could engage with the initiatives via the use of Google Drive. He will also be in charge of setting up this environment and will ensure that appropriate access is provided to all the relevant participants.

J. Whittle further noted that it would be important to know the boundaries when working together. To guide the work process, a document has been created which describes high-level ways of working for the technical expert subgroups. The communication between the experts and the initiatives should take place in a 'safe space' environment in order to avoid that discussions are held in a wider public domain for example via social media. Moreover, the API will also ensure that the same methodology is applied when approaching the API standard initiatives and when reporting back to the API EG.

The focus will be on how the requirements are accommodated by the standard. The detailed analysis itself will be done by the technical experts in close cooperation with the API standard initiatives. In addition, the API EG itself has already created the following preliminary list of key topics (or hot topics) for which further clarification would be needed and for which input from the initiatives would be highly appreciated:

- Redirection vs other authentication methods (should be about what 'good' looks like from the point of view of the PSU);
- AIS data (what data is in scope?);

- Access to payment account information by AISPs (4 times a day; 90-day period SCA);
- Consent in scope of PSD2 in the context of the General Data Protection regulation (GDPR);
- Who applies SCA? (what are the consequences);
- The “what” question (link with the report of the ERPB WG on PIS);
- Security.

As market participants we will not agree on everything. The technical experts are hence not expected to always achieve complete consensus. In case of divergent views, they will however be expected to report back to the API EG.

Evaluation process, guidance and initial questions

To kick off the evaluation process, the API EG presented the first eight API standard requirements (see Annex II) on which it has reached a preliminary consensus. It was clarified that this is still a work in progress. As a next step, the API EG could also consider categorising the different requirements.

The API EG will continue with defining the rest of the requirements but as time is of the essence it is suggested that the engagement process including guidance between the technical expert subgroup and API standard initiatives would start as soon as the composition of the expert subgroups has been completed. It is envisaged that this engagement will take place as an iterative process.

These requirements are not yet set in stone and hence the technical experts or API standard initiatives still have an opportunity to help refine them.

For some of the requirements a rationale is provided, it was however questioned what underpins this rationale. J. Whittle noted that among the API EG members there exist different opinions and hence a compromise needs to be made between i) what does compliance with PSD2/RTS mean and ii) what else needs to be considered as a rationale for market acceptance (without being firmly footed in the legal text). The API EG needs to find a balance and hence it is important to get input from the initiatives.

4. Status update on the activities of the five API standardisation initiatives

Berlin Group NextGenPSD2

The representative of the Berlin Group NextGenPSD2 provided the following status update:

- Version 1.0 of the Berlin Group specifications was published in early February 2018.
- Two topics will be integrated later i.e. multiple SCA approval for corporate customers and card accounts.
- Feedback on errata and minor technical optimisation.
- The public consultation that took place in 2017 generated around 1,000 comments. At least 80% of this feedback was already integrated in version 1.0.
- The expectation would be to have further regulatory clarity by June 2018 on the requirements on how to get an exemption. This might then be incorporated if needed in the next version of the standard which is expected to be published in September 2018.

- The focus is purely on the standard itself and does not involve implementation.
- Core set of functions are mandatory for any ASPSP that is using the standard. In addition, there are also optional services.

J. Whittle asked what the Berlin Group NextGen PSD2 would need from the API EG in order to increase the chances of getting an exemption for a firm implementing their API standard. The Berlin Group representative replied that they would need to better understand the governance framework in particular in relation to what the EBA will do with the output of the API EG. Moreover, clarity is needed with regard to what is required on a local level. In some countries there are additional requirements stemming from other legislations. As a result, there is an optional level of functionalities depending on the requirement of a specific member state.

The Berlin Group standard is implemented in many countries in Europe and hence the API EG could be invited by one of these communities to be involved in an complementary implementation. This is no matter for the Berlin Group NextGenPSD2 initiative as such, since implementation is not in the scope. J. Whittle commented that this would indeed be helpful and that this topic could be tackled with the technical expert subgroup that is allocated to the Berlin Group. It should however be noted that the evaluation of the API standard requirements is the top priority of the API EG.

Open Banking UK (OBUK)

The OBUK representatives provided the following status update:

- Initiative by the UK regulator (CMA) following an investigation in relation to competition. Remedies to be provided via APIs that go beyond PSD2.
- Nine largest UK banks need to implement the open standard.
- In November 2017 it was agreed to expand the scope of OBUK to deliver all functionalities under PSD2.
- In addition to providing standards, OBUK will also ensure implementation.
- Considerable consultation process was held across a wide variety of stakeholders.
- Version 1.0 of the standard was released in August 2017.
- On 13 January 2018 OBUK went live with the implementation of the standard but this is only the start of the journey. Additional releases are foreseen with a broader suite of functionalities.
- In addition, a standard was developed for dispute management and a directory was created for whitelisting of TPPs.
- A security model was established and OBUK has also developed guidelines.
- On 27 February 2018 version 2.0 was published with an extension of AIS endpoints to include other type of accounts (besides payment accounts). The third release will also include other currencies and other payment schemes.
- Authentication is currently based on the redirect methodology but OBUK will also look at other authentication methods.
- Central sandbox capabilities.
- OBUK is not a scheme.

The OBUK representatives informed that the OBUK standard could be used by ASPSPs in Europe. Anyone is free to download the standard and feedback would be greatly appreciated.

OBUK representatives expect that the API EG will i) help them with developing the guidelines in relation to what a 'good' API looks like, ii) provide leadership in relation to

market acceptance and iii) help OBUK to help enforce the guidelines in relation to the implementation of the standard.

Stet

The Stet representatives provided the following status update:

- The initiative started 1.5 years ago.
- Version 1.2 was published in July 2017 and covers the regulatory text that was valid at the time.
- Version 1.3 is expected to be published by the end of March 2018 to ensure compliance with the final RTS, PSD2 and the GDPR.
- The standard is published as open licence, so not limited to French ASPSPs.
- Stet is having discussions with other ASPSPs in Belgium and Luxemburg. Moreover, ideas are also being exchanged with the Berlin Group.
- Focus is only on the standard (not on implementation).
- No mandatory use for French ASPSPs.

Stet requires from the API EG to stabilise the target as soon as possible.

J. Whittle commented that the API EG will provide guidance on the 'hot topics' (see section 3) but that everyone is free to engage directly with their local or EU legislators.

The EBA representative commented that the EBA was first waiting for the RTS to be final. Now this is done the EBA is looking at extending the current "Q&A" process to PSD2. Hopefully the process will start around the end of April or early May 2018. Participants will have an opportunity to ask questions and once finalised the Q&A will be published. Responding to a query on that, the EBA representative explained that prior to the creation of the API EG, the EBA had envisaged inviting the API standardisation initiatives to a roundtable but that this was no longer planned.

Polish Bank Association (ZBP)

The ZBP representatives provided the following status update:

- The initiative started about one year ago. A project group was established with 40 market participants including ASPSPs and TPPs.
- It is purely a standard initiative.
- API specifications have not yet been finalised.
- A public consultation took place between 17 and 31 January 2018, with regard to version 0.8.
- The project governance is convinced that all provisions are in line with PSD2 and the RTS (including the national transposition).
- Currently analysing the comments resulting from the public consultation.
- The plan is to publish version 1.0 of the standard in the coming weeks as well as a detailed report with the comments received during the public consultation and the answers provided.
- ZBP is also talking with the Berlin Group to discuss common issues, gaps etc.

Slovak Banking Association (SBA)

The SBA representatives provided the following status update:

- Version 1.0 of the standard was published in December 2017
- The standard represents minimum requirements for API implementation.
- Some members are currently preparing the implementation of this standard.
- Potentially changes might be incorporated in line with the final RTS.
- The standard is not mandatory for SBA members (only for members that participated in the initiative).
- Security is a crucial topic in the standard.
- Optional service to support e-commerce.
- As much as possible in line with the ISO 20022 standard.
- SBA is talking with the Czech Banking Association as they have also developed a standard which will be implemented shortly.

5. Summary conclusions and next steps

J. Whittle commented that there is a great opportunity to make one standard and summarised as follows:

- Different initiatives are at different levels of maturity and depth of implementation.
- Majority focuses on standardisation activities (not implementation).
- On key issues there is a keen interest to work together.
- There is already some cooperation between different initiatives. Any convergence type of activity is indeed to be applauded.
- We are aware that there are other initiatives. However, we are mindful that our bandwidth is limited so review will focus on the five initiatives that were identified in the report of the ERPB WG on PIS. If there would be other significant initiatives, the API EG might however need to assess whether these should be included.

Next steps

Taking in consideration the fact that the API EG is expected to deliver by June 2018², the following next steps should be prioritised:

- The API EG will continue to develop the API standard requirements and will reflect on the questions asked during this workshop. In addition, the API EG will work on the list of 'hot' topics and participants of this workshop are encouraged to share their views via the dedicated subgroup assigned to them.
- A proposal of the technical expert subgroup compositions will be provided to the technical experts who will have one week to react (in case they wish to be allocated to another subgroup). Once the technical expert subgroup compositions have been finalised the experts will receive a copy of the first eight API standard requirements.
- Dedicated technical expert subgroups will be allocated to each of the five API standard initiatives. They will start the partnership with the initiatives and bring back the analysis to the API EG. The API standard initiatives together with the allocated subgroup should agree on how to engage and cooperate in line with the 'rules of the road'.
- The API standard initiatives will be invited by the dedicated technical subgroup to start the partnership in relation to the first eight requirements.

² This does however not mean that the API EG will stop its activities in June 2018.

Finally, participants were asked whether this workshop had met their expectations and whether they could see the benefit of unlocking the exemption process.

The following comments were noted:

- The focus is still very much on the 'what' (too early to discuss the 'how?').
- A matrix with a status update in relation to the 'hot' topics would be helpful.
- There seem to be two 'movements' i.e. on the one hand the API EG which will focus on API criteria and on the other hand the Q&A process on legal questions. Not yet clear how these two movements will come together. J. Whittle reiterated that the EBA as an observer in the API EG can act as a linking pin with the NCAs as stipulated in the terms of reference. The EBA representative added that their role is to facilitate the convergence of supervisory practices. Now that the RTS is final, the EBA has to start thinking how this will be done. This is however a work in progress.
- If this group is successful in reaching agreement then one might expect that this will feed into the institutional process of the EBA. Important to start now with the first eight requirements to start the ball rolling.
- Happy with process, will be important to ensure that once we go in more detail there are no misunderstandings about the 'hot' topics.
- If done right this can result in bringing added value. Concerns include i) fallback is an option for some ASPSPs, ii) the work that is done by the standard initiatives should not be replicated and ii) besides the how and what, we should also look at the 'why'. Market buy-in will be required and hence the group will have to clearly communicate how it came to its conclusions.

Finally, it was asked whether this group could meet again. J. Whittle informed that given the size of this group is not easy to get everybody together. The suggestion would be to wait and see how we get on. It could however be needed at some point to reconvene again, but first work needs to be done in partnership between the technical subgroups and the initiatives.

J. Closure of the meeting

The API EG co-chairs closed the meeting around 16h00 CET and expressed their hope that this kick-off workshop would be the beginning of a fruitful activity. The participants were also thanked for the constructive meeting as well as the EC and EBA for their encouraging words.

Annex I: List of attendees**API Evaluation Group**

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	Yes
	Pascal Spittler	IKEA (representing EuroCommerce)	Yes
Other Members	Ruth Mitchel ³	EMA	Yes
	Krzysztof Korus	Polish Payment Institution Association (representing EPIF)	Yes
Observers	Ralf Jacob	European Commission	Yes
	Nilixa Devlukia	EBA	Yes
	Helene Oger-Zaher	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

³ Alternate to Thaeer Sabri

API standard initiative representatives

Name	Institution	Attendance
Scheja, Ortwin	Berlin Group	Yes
Miguel Torres Vila	Berlin Group (Redsys)	Yes
Imran Gulamhuseinwala	Open Banking UK	Yes
Chris Michael	Open Banking UK	Yes
Robache Hervé	Stet	Yes
Alain Benedetti	Stet (BNP Paribas)	Yes
Maciej Kostro	Polish Bank Association	Yes
Wojciech Pantkowski	Polish Bank Association	Yes
Rastislav Hudec	Slovak Banking Association	Yes
Marcel Laznia	Slovak Banking Association	Yes

Technical experts (nominated by API EG members)

Name	Institution	Attendance
Marc Giordanengo ⁴	Ailancy	Yes
Yann-Guirec Manac'h	Manac'h Ingénierie	Yes
Jérôme Léger	Crédit Agricole	
Jorge Manzano Ropero	BBVA	Yes
Sven Schenkel	ING	Yes
Oliver Bieser	Deutsche Bank	Apologies
Paolo Piccirillo	San Paolo Intesa	Yes
Jeroen Mens	Rabobank	Yes
Dimitrios Markakis	EMA	Yes
Pascal Spittler	IKEA Group	Yes
Jordi Belmonte	CaixaBank	Yes
Klara Kopecka	Erste Group	Yes

⁴ Alternate to Clément Coeurdeuil

API Evaluation Group

Ralph Schimpl	Austrian Savings Banks	Yes
Lukas Gratte	Trustly Group AB	Yes
George Park Davie	Klarna/Sofort	Yes
Timo Gmell	Klarna/Sofort	
Jan Plasberg	Klarna/Sofort	Apologies
Chris Boogmans	Isabel	Yes
Bruno Van Haetsdaele	Linxo	Tentative
Tomas Prochazka	Tink AB	Yes
Ville Kivioja	OP Financial Group	Yes
Julian Dreissig	PayPal	Yes
Peter Cornforth	Paysafe	Yes
Régis Massicard	Ingenico Group	Yes
Massimo Cappuccio	ECB (Observer)	Yes

Annex II: API standard requirements (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.	