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Summary of the 11th Meeting of the API Evaluation Group

Conference call via Skype on 11 July 2018, 11h00-13h00 CEST

(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 eleventh meeting of the API Evaluation Group (EG) which was held as a conference call and entirely dedicated to the review of the draft list of recommended API functionalities.

Please see Annex I for the list of attendees.

2. Review of the draft list of recommended API functionalities (API EG 038-18)

J. Whittle alerted the API EG that based on comments received there is a risk that the document 'as is' could be misunderstood or misinterpreted. This in turn could lead to a decreased impact and increased uncertainty which is the opposite of what the API EG aims to achieve. He acknowledged the fact that several members had sent comments via email on the latest draft version of the document.

The EBF representative informed that the EBF had held a dedicated meeting since there was still a lot of unclarity within his constituency in relation to this document. The outcome of this meeting was that account-servicing payment service providers (ASPSPs) need more clarity about the 'Day 1' scenario. This would mean that ASPSPs would require a hard list of 'Day 1' functionalities which should be endorsed by the EBA and published before the end of July 2018. In view of the above he suggested to review the latest draft version of the document with the EBA in order to ensure that what is published is completely in line with PSD2/RTS. Discussions in relation to 'Day 2' should be postponed. In addition, the view of the EBF is that the API EG would need to give absolute priority to the topic of testing framework, which would include provision of clarity on missing components such as certificates and directories. A high-level testing framework would be required by September 2018. To show commitment at the level of the EBF, its Executive Committee is willing to sign off a list of recommended 'Day 1' functionalities. The EBF would want to keep the dialogue open but the sense of urgency should be on the 'Day 1' scenario. The EACB and ESBG representatives informed that they had come to the same conclusions following a dedicated webinar with their constituencies

A third-party provider (TPP) representative commented that it seems that the aim of the ASPSPs is to reduce the list of functionalities and to go back to minimum compliance. The EBF representative commented that the focus is rather on what is needed to get an exemption as from 'Day 1'.

J. Whittle noted that there seems to be an assertion that the document contains a number of recommendations that would have to be removed in a first phase following correlation with the legal text. Assistance from the EBA and the European Commission (EC) would be much appreciated.

The EBA representative commented that the document needed to be aligned with the clarification documents it recently published and that where further clarification was required in terms of what was legally required, the EBA would provide it, in particular via the use of the Q&A tool. This did not however mean that the functionalities should be limited to those that are strictly required under the law, given the focus of the group is on what a good API looks like.

A TPP representative was of the view that the API EG does not have the mandate to decide what is legally required or not [which the EBA, ECB and the EC agree with]. They therefore suggested that the API EG should issue a list of recommended functionalities, which the EBA would then review to provide suggestions on what is (not) legally required. He continued by saying that the current document is a result of six months of negotiation and that a minimum compliance list would not accommodate the minimum needs of TPPs.

It was agreed that both sides have a different understanding of what the 'Day 1' scenario would look like.

The EBA representative stressed that the EBA can indeed provide feedback on this document but as an observer it is not within its scope to 'endorse' it or not. She therefore urged the API EG not to stall the publication and explained that the EBA has no issue with the document other than that it should not create confusion.

The EBF representative clarified that his constituency needs to be assured that the API EG is publishing a document that is in accordance with the legal requirements.

Taking into account the fact that the ECSAs do not have a mandate to allow the publication of the document as it is today and that the market needs guidance as soon as possible, J. Whittle suggested as a way forward to clarify which recommended functionalities are mandatory and which are related to what good looks like.

The EC representative suggested to also identify whether a recommended functionality (if not accommodated) could lead to an API not being widely used or creating an obstacle. He also noted that the ASPSPs have the responsibility to deliver as soon as possible APIs for testing, which are easy to use by TPPs. TPPs on the other hand will need to engage in the testing process and provide feedback as soon as possible. In his view the role of the national competent authorities (NCAs) is not to tick boxes but rather to check whether an API could be widely used and if not to establish the reasons why this is not the case. The EBA representative added that this could only be within the scope of the RTS. The EBF representative reiterated that the NCAs can only assess the 'Day 1' scenario (legal requirements) and that the picture should not be blurred by the 'Day 2' scenario. A TPP representative however commented that the 'Day 1' scenario should not be limited to legal requirements and should also take into account the 'market acceptance' aspect. The EBF representative reiterated that the ECSAs have no mandate to publish a list that would already refer to 'Day 2' functionalities.

The EC representative commented that the term 'market acceptance' gives the impression that there would be a free choice. Once an API is working properly and it

has been demonstrated to work properly there is no choice any longer. Goodwill is needed on both sides. Moreover, he stressed that 'widely used' and 'not creating an obstacle' are in fact legal requirements for the purpose of the exemption to the fallback. The EBA agreed while stressing that both those criteria for the purpose of the exemption under the RTS relate to a legal text (draft Guidelines) the EBA is currently consulting on. She added that it should be clear that there does not exist a 'one size fits all' in relation to 'widely used' and that this was the challenge the EBA faced when preparing the public consultation on this matter.

J. Whittle suggested as a first step to provide clarity about the correlation with the legal text and to reword the introduction section to avoid any misinterpretation. He also agreed that the API EG should mitigate the risks to avoid that a TPP would not be able to operate on the market because of the API offered.

The ECB representative noted that it is not the role of the API EG as a market facing group to provide legal clarification. This should be discussed separately between the NCAs and the EBA. The aim of the API EG is to provide market guidance on what would constitute a "good" API.

A distinction was made between the following three categories of recommended functionalities:

- Category 1: Functionalities that are directly related to the law.
- Category 2: Functionalities that are relevant to the law to ensure good implementation. (Note: wording to be clarified)
- Category 3: Functionalities that are above & beyond the law.

J. Whittle invited the ECSAs to prepare an updated version of the document by Friday 13 July 2018, including an additional column (rationale) in which it is clarified for each recommended functionality whether it relates to category 1 or 2 (the three categories should be explained in the introduction section). A TPP representative noted that in view of the new approach it should be made clear that the list of recommended functionalities not only applies to the API initiatives but also to individual ASPSPs.

As a next step the API EG will need to review this updated draft version (prepared by the ECSAs) to agree on the provided rationale and categorisation and also to identify areas for which there are challenges that are deemed essential for well-functioning and widely-used APIs. A follow-up call will be scheduled on 18 July and the aim is to publish an updated list with recommended functionalities by the end of July 2018. A TPP representative commented that a couple of iterations might be required and that it would be helpful if members could already send their feedback prior to the 18 July call. In order to avoid loads of email exchanges he offered to send a consolidated TPP position.

The EC representative however suggested to put less emphasis on the categorisation and rather indicate if TPPs foresee a problem in case a specific recommended functionality is not accommodated (warning flags). The EBF representative reiterated that this would be outside his mandate.

Taking Open Banking UK as an example a TPP representative also cautioned on taking comfort in legal requirements only as there is a need is to have well-functioning APIs.

The EBA representative further noted that this exercise is about ensuring a good customer outcome and that the envisaged outcome should be better explained in the introduction section of the document.

J. Whittle finally reminded that the API EG will need to discuss the testing framework and invite ASPSPs to showcase their APIs. In the interest of time, this will need to happen over the summer period. The API EG agreed that the work should continue during summer.

3. Closure of the meeting

The co-chairs closed the meeting around 13h00 CEST 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	Joan Burkovic	Bankin'	Yes
	Aoife Houlihan	Klarna	Yes
	Ralf Ohlhausen	PPRO	Yes
ASPSP Members	Pablo Lahoz ¹	EACB	Yes
	Gijs Boudewijn	Dutch Payments Association (representing EBF)	Yes
	Emil Johansson	Swedbank (representing ESBG)	Yes
PSU Members	Jean Allix	BEUC	Apologies
	Just Hasselaar	Ecommerce Europe	
	Pascal Spittler	IKEA (representing EuroCommerce)	Yes
Other Members	Thaer Sabri	EMA	Yes
	Peter Cornforth ²	Paysafe (representing EPIF)	Yes
Observers	Ralf Jacob	European Commission	Yes
	Philippe Pellé	European Commission	
	Krzysztof Zurek	European Commission	Apologies
	Nilixa Devlukia	EBA	Yes
	Helene Oger-Zaher	EBA	Apologies
	Ann Börestam	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	Apologies
	Christophe Godefroi	EPC	Yes

¹ Alternate to Marieke van Berkel

² Alternate to Krzysztof Korus

Annex II: Action points

Item	Action	Owner	Status / Deadline
11-01	Prepare an updated version of the list of draft recommended API functionalities in line with the outcome of the 11 July conference call	ECSAs	13 July 2018
11-02	Provide comments on the updated version of the list of draft recommended API functionalities	API EG	18 July 2018
11-03	Schedule an additional conference call on 18 July to review the updated version of the list of draft recommended API functionalities	Secretariat	11 July

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 (9:00-10.30 CET) 28 February 2018 (11:00-16:00 CET) API Evaluation Workshop with 5 API initiatives EBF, Brussels</p>
March	<p align="center">27 March 2018 (09:00-17:00 CEST) Brussels – EPC</p>
April	<p align="center">12 April 2018 (10.00-11.00 CEST) - Conference call</p>
	<p align="center">23 April 2018 (10.30-17.00 CEST) - EPC, Brussels</p>
May	<p align="center">14 May 2018 (10.30-18.00 CEST) - EPC, Brussels</p>
	<p align="center">24 May 2018 (11.00-12.00 CEST) – Conference call with API initiatives</p>
June	<p align="center">8 June 2018 (10.30-17.00 CEST) – Hotel Warwick, Brussels</p>
	<p align="center">25 June 2018 (10:30-17:00 CEST) – EPC, Brussels</p>
July	<p align="center">11 July 2018 (11:00-13:00 CEST) – Conference call</p>
	<p align="center">18 July 2018 (11:00-13:00 CEST) – Conference call</p>
	<p align="center">30 July 2018 (10:30-17:00 CEST) – EPC, Brussels</p>
August	
September	<p align="center">3 September 2018 (10:30-17:00 CEST) – EPC, Brussels</p>
	<p align="center">24 September 2018 (10:30-17:00 CEST) – EPC, Brussels</p>