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Summary of the 17th Meeting of the API Evaluation Group

3 September 2018, 10h30-17h00 CEST EPC, Cours Saint-Michel 30A, 1040 Brussels

(Approved by the API EG Members)

1. Welcome

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

2. Approval of the agenda (API EG 046-18)

J. Whittle summarised the main topics of the meeting as follows:

- Concluding the review of the (internal) draft recommended API functionalities.
- Preparing the 11 September 2018 meeting with the EBA / national competent authorities (NCAs).
- Remaining items to be discussed at the 24 September 2018 meeting of the API EG.
- API EG way forward.

The agenda was approved.

3. Updates as relevant from EC, EBA and ECB

The EBA informed that the consultation period regarding the draft Guidelines on the conditions to be met to benefit from an exemption from contingency measures under Article 33(6) of Regulation (EU) 2018/389 (RTS on SCA & CSC) had ended on 13 August 2018 and that the responses are currently being reviewed in order to assess whether potentially changes would be required. It is envisaged that the finalised Guidelines would be made available by November or December 2018. In addition, the EBA is preparing its 11 September 2018 supervisory convergence workshop with the NCAs with a morning session focused on industry experiences. That session as mentioned before will include the API EG co-Chairs as well as several account servicing payment service providers (ASPSPs) to demonstrate their APIs. The EBA reiterated the importance of the API EG as it provides a direct link with the industry.

Further to a question from an API EG member, the EBA clarified that an EBA Opinion cannot be revised and is not consulted on as it provides clarification on the legal text.

The European Commission (EC) representative informed that he was going to meet the Vice President of the EC, Mr Valdis Dombrovskis, on 4 September 2018 to provide an update on the state of play of the API EG and to ask whether he would be willing to be involved in facilitating the coordination between the different market players. Members that have ideas on how the Vice President could potentially assist were invited to share

their ideas. The EBF representative commented that there is a need to put in place better governance in order to achieve the needed convergence. TPP representatives however had different views.

The EC representative also notified that if the EC Vice President would accept the principle of holding a meeting in October/November 2018 then the EC would get in touch with the key players to get a clearer view of the concrete expectations.

The ECB representative looked back on the creation and the scope of the API EG and ascertained that the API EG had spent a lot of time discussing legal requirements. This is not in line with the API EG's mandate which states that the "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 PSD2 and **meet the needs of all market participants**", as well as "the API EG will also provide a broadly supported source of market guidance". She continued by saying that the ECB has invested a lot of time and effort in this project since 2016 via the creation of an ERPB Working Group on PIS, which resulted in the November 2017 and June 2018 ERPB reports. In addition, the EC also helped to facilitate by establishing the API EG. Despite all these efforts the ECB is of the view that the API EG is still far from reaching a market position.

The ECB is furthermore convinced that a communication interface is essential for providing efficient payment initiation services (PIS)/account information services (AIS). The group has made some progress but over the last months the ECB can see little willingness from the ASPSPs to move forward. Time is running out and the ECB does not see how the API EG would be able to fulfil its mandate and provide market guidance in the current circumstances. As a result, the ECB cannot see how it can contribute any further as it feels it has done everything within its capacity to bring the industry together. This ECB position is also reflected in a speech provided on 3 September 2018 by Mr Y. Mersch at the European Institute of Financial Regulation (EIFR). In view of the above the ECB has decided to leave the API EG.

J. Whittle thanked the ECB for all its support and contributions. He added that it was a pity that the ECB had decided to leave at this critical stage of the API EG work in particular in view of the upcoming 11 September EBA/NCAs meeting.

In view of the announcement of the ECB the members were invited to share their views.

The BEUC representative informed that he understood the ECB's decision and mentioned that BEUC had also considered to leave due to the fact that the list of recommended functionalities continues to underestimate the consumer related topics. He also informed that BEUC is expected to publish a paper on this work and in general on the access to consumer data.

The ECSAs representatives commented that they were shocked by the accusatory tone towards the ASPSPs, objected to this in the strongest words possible and reconfirmed that ASPSPs are still very committed to PSD2.

The ECB representative recognised the effort of the ASPSPs but added that in the end progress has been very limited and that ASPSPs even seem to move backwards. She reiterated that the mandate of the API EG is not to copy and paste the text of the PSD2/RTS but rather to agree on what a "good" API would look like in both the eyes of ASPSPs and TPPs. The EBF representative commented that what constitutes a good API will be different for different parties and that for ASPSPs it is in the first place about

what is legally required. He added that the deliverables are clear and that he believes that the API EG is close to delivering these deliverables. He continued by saying that since the mandate was approved in January 2018 there have been critical developments such as the publication of the EBA Opinion and draft Guidelines and that maybe the mandate should have been updated accordingly.

The EC representative commented that the API EG's focus should be on fulfilling the role of an early warning system and contributing toward a solution that is good for all stakeholders, whilst taking into account that there can be no obstacles.

The EACB representative highlighted the fact that ASPSPs have invested a lot of time and effort into this project and that the complex governance processes of an association organisation should not be underestimated (representing thousands of ASPSPs). There have been many calls with the members to inform them about the legal framework and to try to explain what it is they are required to do. At the time of the publication of the PSD2 the ASPSPs were on their own as there was no scheme. ASPSPs want to be legally compliant and they have legacy systems that need to be adapted to be able to work in this new context of access to accounts. The difficulty has also been that what the content of the API should contain has been a somewhat moving target. It is only since the publication of the EBA Opinion that ASPSPs have had more clarity.

A TPP representative commented that time is running out and that in this context not meeting the deadline could result in killing a whole industry. Another TPP representative added that implementing what would be required to address the concerns of the TPPs would not have increased as such the work of the ASPSPs and that the clarification provided in the EBA Opinion had allowed the ASPSPs to move backward. The EBA noted that its role at the API EG was to provide legal clarity where needed and that the Opinion was a result of the work of the API EG, including all 'hot topics' where legal clarity was sought.

The ESBG representative also strongly objected the accusation that ASPSPs have not been collaborative taking into account that ASPSPs were part of the ERPB discussions from the beginning. The process is indeed quite complex as you need to take into account different jurisdictions, different views of local IT experts and lawyers etc. Moreover, ASPSPs want to avoid having to provide a fallback solution so it does not make sense to accuse ASPSPs of an unwillingness to collaborate. Giving and taking on both sides is needed.

The EMA representative commented that it should be avoided that developers would need to make continuous changes. He hence suggested to think about what would be required from Day 1 and what could be provided later. He recommended to try to stick together and to find a solution that will work for all.

The EuroCommerce member also noted that the group should have a clear view of the user's needs, not necessarily to fulfil all these needs from Day 1 but at least to agree on a timeframe. He was also of the opinion that the API EG just needs to finalise the final steps.

The ECB representative found the EBA Opinion and draft Guidelines providing clarity to supervisors and market, and setting the foundation for stakeholders to agree on APIs accommodating both needs.

The EBF representative commented that one could argue that there is unwillingness from the TPPs to accept the creation of legal clarity via the EBA's Opinion and draft Guidelines.

A TPP representative commented that it is clear that the ASPSPs and TPPs will continue to have different views on the legal situation. He however reminded the group that the TPPs also had to put a lot of effort in the support of APIs which in the end may or may not work. He regretted that many items (or concerns) that were on the wish list of the TPPs had been rejected and that this may lead to litigation.

J. Whittle reminded the group that the API EG had succeeded in bringing together the different market players (including the API initiatives) in order to be able to share views in an open and constructive setting. In June 2018 the EBA Opinion and draft Guidelines were published leading to the disappointment of the TPPs in a number of areas, but the group managed to continue to work together. At this point in time the group should focus on the critical discussion on how to implement APIs in a way that can ensure consistency and harmonisation. The departure of the ECB should be seen as a wake-up call. We are dealing with a regulated market and it is clear that both sides have to change. The market is still looking for guidance and the API initiatives might still have to introduce some changes. Even the draft EBA guidelines might still change. The more the API EG can do to clarify what a good API looks like, the better it will be for the industry. The API EG has the most to gain by continuing. We respect the decision of the ECB and hope that we will be able to change their position.

The ECB representative left the room after having thanked the co-Chairs and the secretariat for their support to the API EG.

4. Recommended functionalities

The API EG continued its review of the recommended functionalities, including comments received.

It was reiterated that this is currently still an internal draft and that further amendments will be needed for example regarding the description of the different columns as well as regarding the fact that there should be no question marks in a public document. In this context J. Whittle clarified that the first column contains recommendations to the API initiatives, the second column contains implementation recommendations to the ASPSPs and the third column describes the underlying implications on the market.

The group discussed the topic of redirection. TPPs reiterated their view that if an ASPSP would only implement redirection that this would be an obstacle for them. J. Whittle however noted that TPPs will have a choice based on what the PSU is provided with (by its ASPSP). He informed that one of the invited ASPSPs will present its redirection journey at the 11 September EBA/NCAs meeting which should help to understand i) whether this will be seen as good enough to get an exemption (of having to provide a fallback solution) and ii) what the implications will be for an ASPSP that is only providing redirection. The EPIF representative commented that it is rather about equivalence as there are not many ASPSPs that redirect to other third parties (e.g. to social media apps). Another TPP representative added that the legacy systems of the ASPSPs are limiting the user experience.

The BEUC representative reiterated that that they are opposing the embedded solution for security reasons (e.g. fake internet shops). A TPP representative however

commented that a PSU could also be redirected to a fake ASPSP website. J. Whittle suggested to gather evidence before concluding that one method is better than another.

The EBA commented that it was made clear in the Opinion that it should be about how good the customer journey is and added that the objective of the 11 September meeting is to have practical examples (rather than having theoretical discussions) to help the debate move forward. Reference was also made to the fact that the functionalities in relation to authentication should be in line with the authentication guidance published in May 2018 on the EPC website.

5. Approach to the 11 September 2018 EBA/NCAs meeting

The EBA provided some further background information on this meeting. The co-Chairs will first be invited to talk about the API EG and to provide a status update on its latest activities. Next, a number of ASPSPs will present their API, including the related customer experience as well as challenges. Afterwards the EBA and NCAs will discuss the impact of the implementation on the supervisory work. It is not envisaged that this would lead to the publication of an additional Opinion.

Members were invited to agree on the topics that should be raised at the 11 September meeting. The co-Chairs will prepare a narrative in relation to these topics after the meeting which will be shared with the API EG and which would inter alia describe the fact that there is uncertainty in the market as to the implementation of some functionalities in a way that it is good enough for the September 2019 deadline. It should be clarified that the role of the API EG is to provide greater certainty about what an ASPSP needs to implement to increase the chances of getting an exemption to having to provide a fallback solution.

Three types of issues were identified which have resulted in divergent opinions i.e. ambiguous requirements, unclear interpretations of a specific requirement and wide-ranging principles.

The API EG agreed on a number of critical topics that should be raised at the 11 September meeting. This included for example functionalities related to authentication methods, ASPSPs providing access to the AISPs to trusted beneficiary lists and the exchange of data between ASPSPs and TPPs in relation to fraud handling.

ASPSPs that are expected to attend the 11 September meeting include Deutsche Bank, ING, Nationwide and Swedbank. The AP EG co-chairs will organise a coordination call with these ASPSPs.

6. Planning for the API EG meeting on 24 September 2018

The following topics are expected to be discussed at the 24 September meeting:

- Testing and conformance.
- eIDAS and security.
- Evaluation of representative APIs.
- Engagement with API initiatives.
- Public facing report of progress/conclusions and recommendations

It was commented that the evaluation of representative APIs will already be covered at the EBA/NCA meeting on 11 September 2018.

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The ECSAs informed that it should be taken into account that they would require Board level sign-off for the publication of the recommended functionalities document, which could approximately take one month.

7. Decision to wind up the API EG

See also section 3.

J. Whittle added that the API EG mandate does not 'exhaust'(up to agenda point 3) itself and that it would not be a good signal if at the 11 September EBA/NCAs meeting the API EG co-Chairs would have to communicate that the API EG would be disbanded at the end of the month. Moreover, in view of the potential meeting with the Vice-President of the EC the API EG should stand ready in the interim to continue its work.

The EBF representative remarked that in order to get permission (from his constituency) to continue there will need to be clarity about what is in the mandate versus what is in the competitive space.

The EC and EBA representatives encouraged the API EG to continue its activities.

It was concluded that the API EG cannot wind-up its activities at the end of September 2018 as it has to ensure that it delivers on its promises and provide the much-needed guidance to the market.

8. Summary and next steps

The API EG co-Chairs will prepare the narrative in relation to the topics that need to be raised at the 11 September 2018 meeting with the EBA/NCAs. API EG members were invited to share as soon as possible any further input in particular in relation to the market facing column. The draft API EG co-Chair presentation will be shared with the API EG prior to the 11 September meeting.

Following the 11 September 2018 meeting, the API EG will need to assess any resulting impact on the internal draft recommended functionalities in order to be able to finalise the document in a format that can be shared with the general public.

Further discussion with the API initiatives might be needed and the technical expert subgroups could potentially be asked to assist on the testing topic. The API EG co-Chairs will share the text that will be sent to the API initiatives with A. Mac Dowell so that he in his role as linking pin can also provide a status update to the technical experts.

9. AOB

No other topics were discussed.

10. Next meetings dates

The next meeting will take place on 24 September 2018 at the EPC offices in Brussels.

Note in editing: an extra conference call was scheduled on 18 September 2018 to focus on the recommended functionalities.

11. Closure of the meeting

The co-Chairs closed the meeting at around 17h00 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	Marieke van Berkel	EACB	Yes
	Gijs Boudewijn	Dutch Payments Association (representing EBF)	Yes
	Diederik Bruggink ¹	ESBG	Yes
PSU Members	Jean Allix	BEUC	Yes
	Just Hasselaar	Ecommerce Europe	Yes
	Pascal Spittler	IKEA (representing EuroCommerce)	Yes
Other Members	Thaer Sabri	EMA	Yes
	Peter Cornforth	Paysafe (representing EPIF)	Yes
Observers	Ralf Jacob	European Commission	Yes
	Philippe Pellé	European Commission	Apologies
	Krzysztof Zurek	European Commission	Apologies
	Remo Croci	European Commission	Yes
	Helene Oger-Zaher	EBA	Yes
	Larisa Tugui	EBA	Yes
	Ann Börestam	ECB	Yes ²
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

¹ Alternate to Emil Johansson

² Up to agenda item 3

Annex II: Action points of the 17th meeting of the API EG

Item	Action	Owner	Status / Deadline
17-01	Distribute an updated version of the list of recommended API functionalities to the API EG	API EG co-Chairs EPC secretariat	4 September 2018
17-02	Provide any further views on topics that need to be raised at 11 September 2018 meeting of the EBA/NCAs	API EG	7 September 2018
17-03	Prepare a presentation for the 11 September 2018 meeting of the EBA/NCAs	API EG co-Chairs	7 September 2018
17-04	Provide a status update to the API initiatives	API EG co-Chairs	14 September 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 (9:00-10.30 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">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">18 September 2018* (15.30-17:00 CEST) – Conference call</p>
	<p align="center">24 September 2018 (10:30-17:00 CEST) – EPC, Brussels</p>

(* Note: this conference call was scheduled after the 3 September 2018 meeting)