

PRESS RELEASE

Berlin Group launches Public Market Consultation on NextGenPSD2 Standard

Tags: PSD2, XS2A, EBA RTS, TPP, API

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On 2 October 2017, The Berlin Group will launch a 6-weeks public market consultation on its NextGenPSD2 Access to Accounts (XS2A) Standard that enables Third Party Providers (TPPs) to access bank accounts under the revised Payment Services Directive (PSD2). Following market consultation, the Berlin Group aims to publish the first final version of the standard before the end of 2017. Public market consultation is further supported by a NextGenPSD2 Conference to be held in Berlin on 25 October 2017.

As the European financial industry opens up access to account information under PSD2, the NextGenPSD2 Standard offers a modern, open, harmonised and interoperable set of Application Programming Interfaces (APIs) as the safest and most efficient way to provide data securely. The NextGenPSD2 Standard reduces XS2A complexity, addresses the problem of multiple competing standards in Europe and, aligned with the goals of the Euro Retail Payments Board, enables European banking customers to benefit from innovative products and services ('Banking as a Service') by granting TPPs safe and secure (authenticated and authorised) access to their bank accounts and financial data. The APIs support the PSD2 required account information (AIS), payment issuer instrument (PIIS) and payment initiation (PIS) services and are built on RESTful, OAuth2 and JSON standards, relying on ISO20022 standards for the data elements to be exchanged.

The Berlin Group believes that open and harmonised PSD2 XS2A interface standards for processes, data and infrastructures are the necessary building blocks of an open, interoperable market. True interoperability is an essential component of competitive pan-European PSD2 XS2A services that will contribute to further progress towards the European Single Market and benefit the payments industry as well as European consumers and businesses alike.

A public and transparent market consultation is deemed a critical additional contribution to the development of mature standards that are aligned with market requirements and applicable legislations and regulations. The NextGenPSD2 Standard will be available for download on the Berlin Group website (www.berlin-group.org/market-consultations) on 2 October 2017, and consultation finishes on Friday 17 November 2017. All contributions received will be published following the close of the consultation, unless requested otherwise. Public market consultation is further supported by a NextGenPSD2 Conference to be held in Berlin on 25 October 2017 (www.berlin-group.org/nextgenpsd2-conference-2017).

Appendix - Notes for editorial staff:

About NextGenPSD2 Initiative

NextGenPSD2 Initiative is an open, ad-hoc, pan-European industry standards coalition of 38 organisations operating across all EU Member States and representing a diverse cross-section of the European banking and payments industry. The Initiative is not bound to a specific (community of) bank(s) or processor(s) and brings non-competitive shared technical and organisational interests together with heterogeneous stakeholders. The Initiative is open for cooperation or liaison with other relevant Open Banking initiatives and for further participation by European banks, banking associations, payment associations, payment schemes and interbank processors. The Initiative has been created in the spirit of an 'open source' initiative: each participant covers their own costs (there are no membership fees); any possible intellectual property rights associated with the results of this interoperability work are intended to be put into the public domain so that they can be used freely.

A full list of participants, with their company logos, can be found at www.berlin-group.org/psd2-access-to-bank-accounts.

About the Berlin Group

The Berlin Group is a pan-European payments interoperability standards and harmonisation initiative with the primary objective of defining open and common standards in the interbank domain. The Berlin Group first met in Berlin in October 2004. Participants include banks, banking associations, payment associations, national and international payment schemes, and interbank processors working in SEPA. Other standards that have been delivered so far are in the area of card payment processing and Mobile P2P Interoperability.

More information can be found at www.berlin-group.org.

Background PSD2 legislation and Access to Account

In Europe, regulators have been the drivers for introducing bank data-sharing and promoting open banking interfaces. The revised Payment Services Directive (EU 2015/2366, also known as PSD2) introduces new 'payment initiation' and 'account information' services, operated by regulated Third Party Providers (TPPs) and enabled via a dedicated Access to Account (XS2A) Interface between banks and TPPs. Further requirements on the implementation and usage of this XS2A Interface are defined by a Regulatory Technical Standard (RTS) to be prepared by the European Banking Authority (EBA).

Neither PSD2 nor EBA-RTS require the XS2A Interfaces of all banks to be based on a single standard. This might lead to the problem of multiple competing standards in the market. With thousands of banks and TPPs in Europe, the development, implementation, documenting, testing and maintenance of proprietary, bank-specific XS2A communication standards would involve substantial investment and IT efforts for the whole market. All the more so, given market expectations regarding the safety, performance and future innovation potential.

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