Open Banking

Best Practices

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CRIF & GD Next for Bankon Digital
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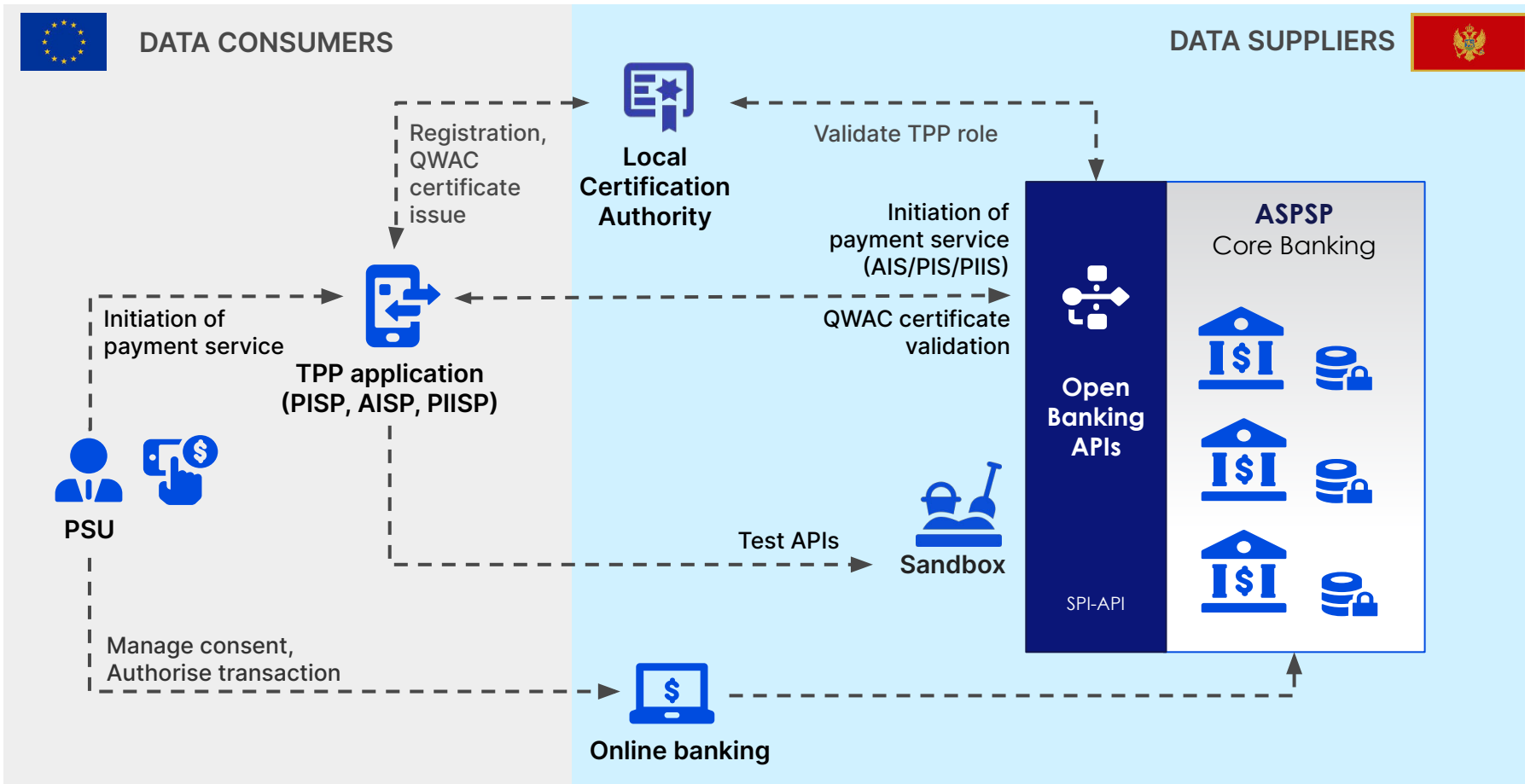
AGENDA

1   **Open Banking building blocks**

2   **Best practices of Open Banking implementation: models, pros & cons, prerequisites**

3   **Unlock the potential of Open Banking: value-added services, use cases**

Open Banking Framework

DATA CONSUMERS

DATA SUPPLIERS

Local Certification Authority

Registration, QWAC certificate issue

Validate TPP role

Initiation of payment service (AIS/PIS/PIIS)

ASPSP
Core Banking

Initiation of payment service

QWAC certificate validation

TPP application (PISP, AISP, PIISP)

Open Banking APIs

PSU

Sandbox

Test APIs

SPI-API

Manage consent, Authorise transaction

Online banking

Building blocks

Country Authority (NCA)	Bank (ASPSP)
TPP registration & pasportisation TPP onboarding requirements	TPP identification and authorisation API Documentation and sandbox
Definition of mandatory open banking services	Support of mandatory open banking services
Tech. requirements for banks (security protocols & authorisation, data storage)	Technical implementation, testing and audit
Definition of SCA approaches	SCA implementation
Consent definition according to internal laws	Consent management (DB) implementation
Fraud & incident reporting standard (APIs)	Fraud & incident reporting implementation
Performance reporting standard (APIs)	Performance reporting implementation

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Implementation models

Individual solution

Independent standalone solution for ASPSP

- Self-development
- Vendor acquisition
- Used by most of the banks in EU, UK

Shared service (SaaS)

APIs as service supported by Vendor

- Evolved with the expertise of the solution providers
- Helps newcomers to decrease operational costs and heavy efforts on solution maintenance

Centralized service

Service model supported by NCA or financial associations

- Specific countries
- Swiss market-driven bLink platform by SIX
- Azerbaijan regulatory-driven Central Bank payment solution

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Individual model

+ Extended / Premium APIs

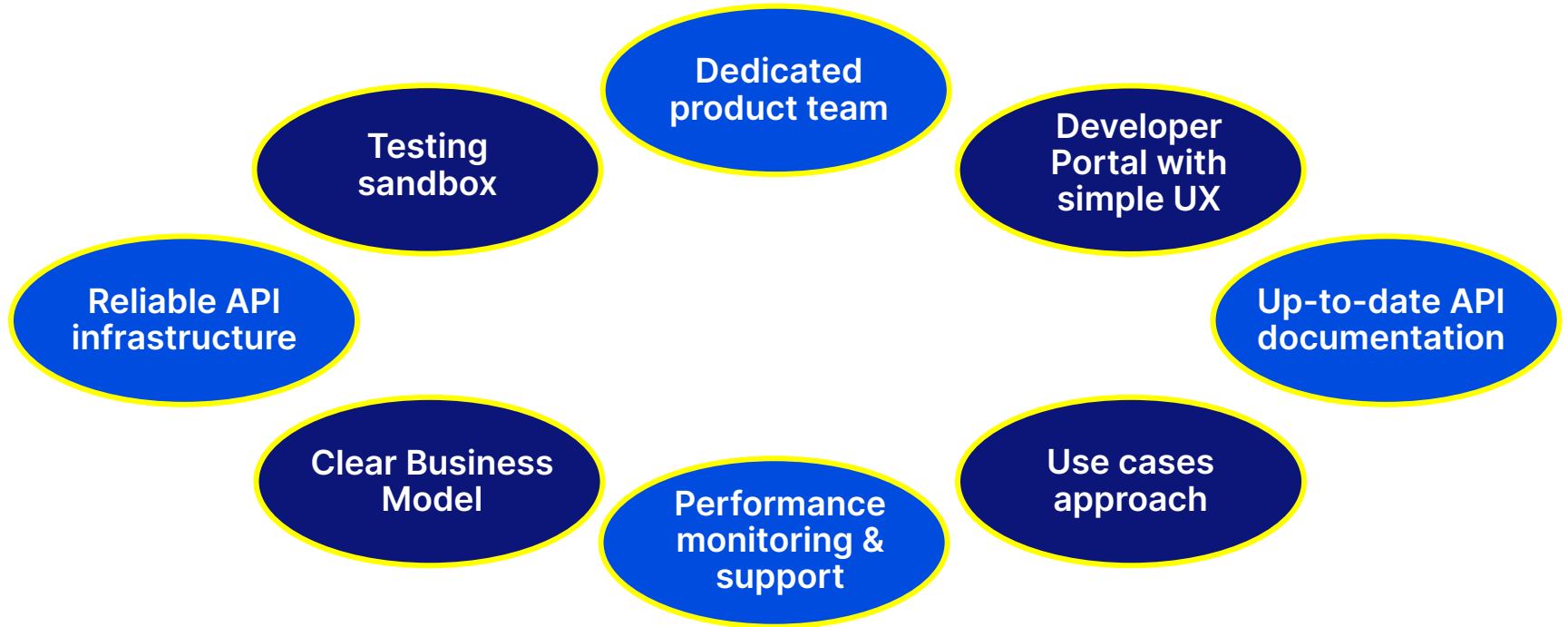+ Easier security & audits

+ Less external dependencies

− Higher TPP onboarding costs

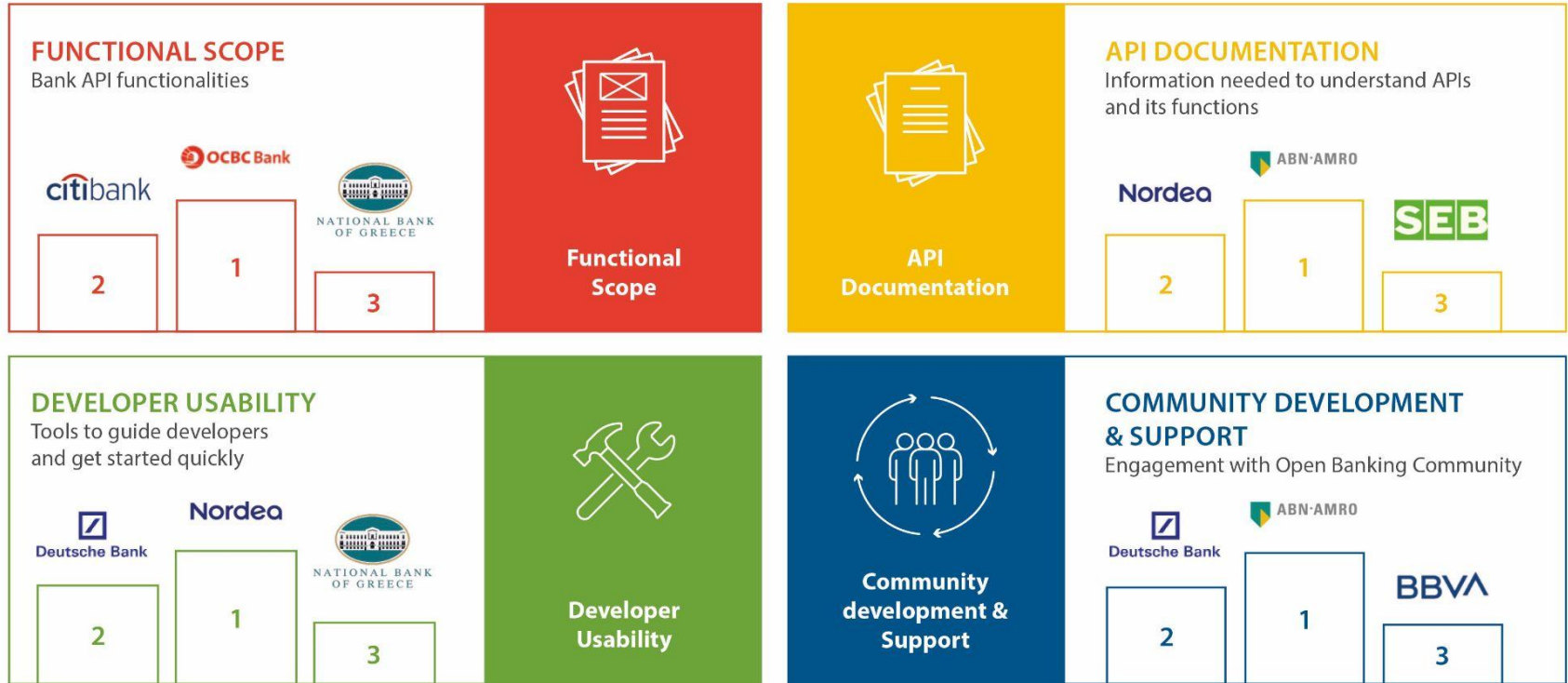− Higher operational costs

− Slow updates implementation

Service model

+ Faster implementation - less time to market

+ Updates are delivered on the flight

+ Shared operational costs - ability to compete with bigger players

− Absence of direct API monitoring

− Dependency on common extended Premium APIs and additional costs for customization
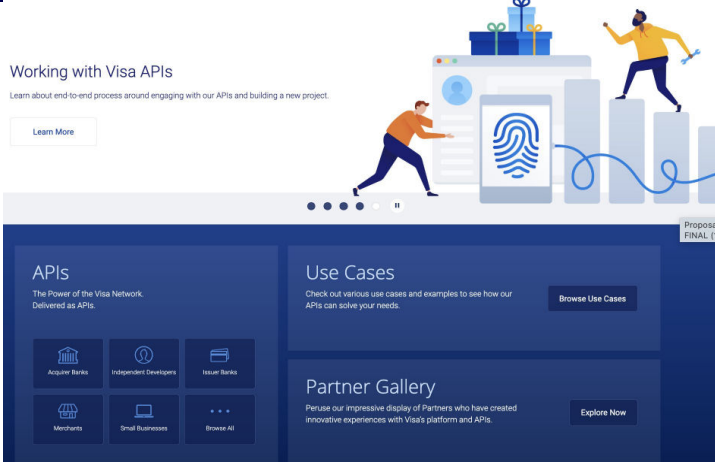
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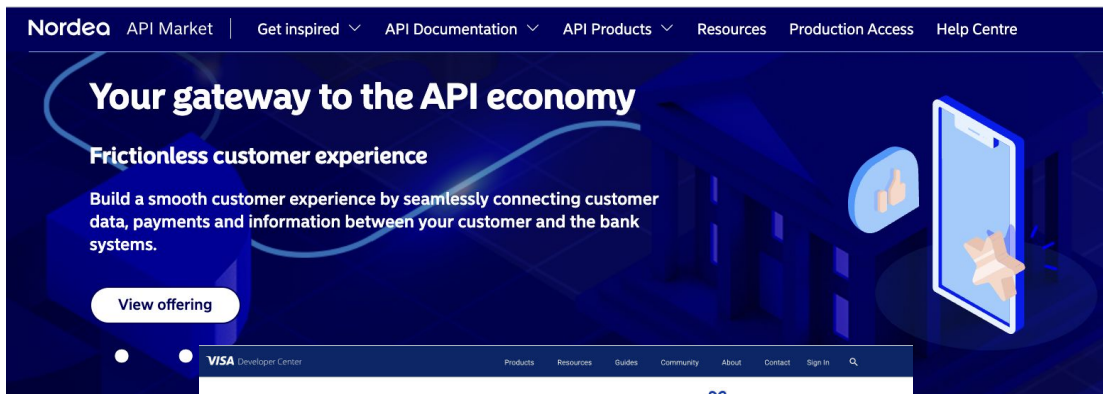# Prerequisites for efficient API management

Dedicated product team

Testing sandbox

Developer Portal with simple UX

Reliable API infrastructure

Up-to-date API documentation

Clear Business Model

Performance monitoring & support

Use cases approach

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Developer Portal benchmark, Q1 2023
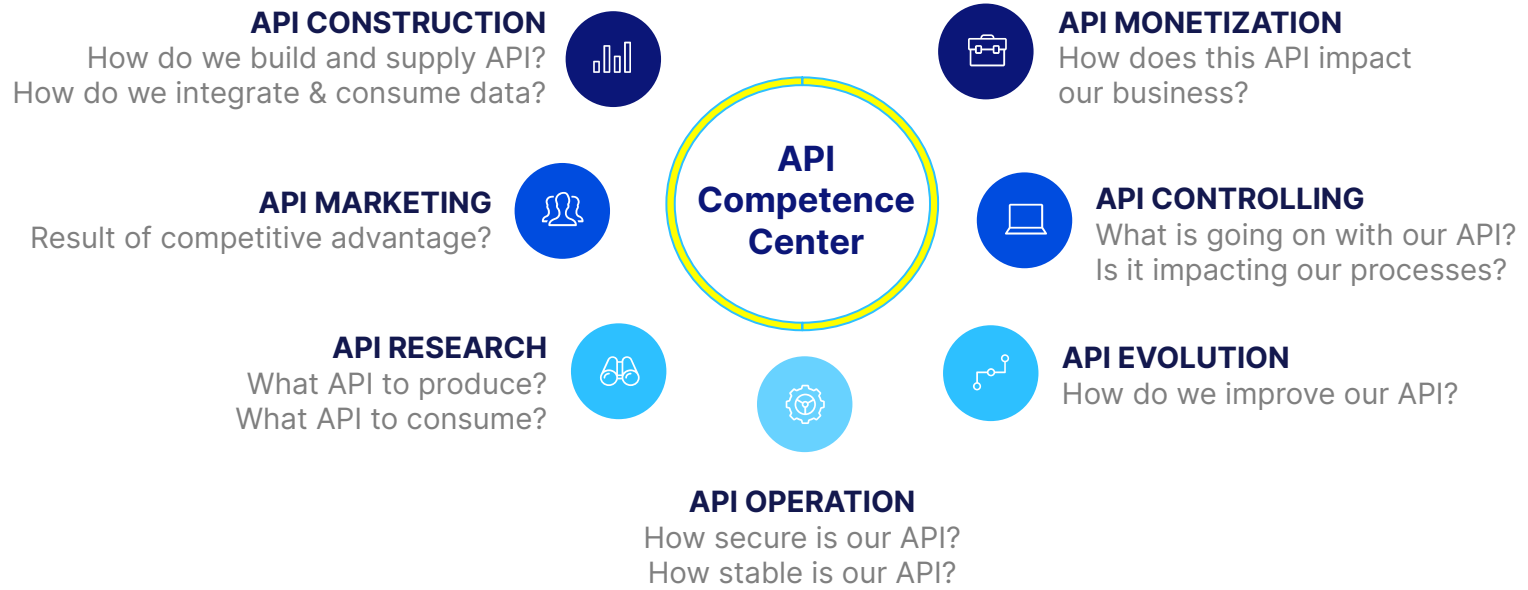
Dev Portals: best practices & key elements

- ✓ Developer portal guide
- ✓ State of access (known errors and planned updates)
- ✓ Technical support channels
- ✓ API descriptions (docs)
- ✓ Automated API definitions e.g. OpenAPI
- ✓ **Access to API Sandbox with dynamic API calls**
- ✓ API dashboards

API organization setup & product management

API CONSTRUCTION
How do we build and supply API?
How do we integrate & consume data?

API MONETIZATION
How does this API impact
our business?

API MARKETING
Result of competitive advantage?

API Competence Center

API CONTROLLING
What is going on with our API?
Is it impacting our processes?

API RESEARCH
What API to produce?
What API to consume?

API EVOLUTION
How do we improve our API?

API OPERATION
How secure is our API?
How stable is our API?

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ASPSP Self Checklist

- ◆ Listen to your customers and focus on resolving their pains

- ◆ Investigate your strengths

- ◆ Find your niche and define UVP

- ◆ Connect to your company goals, define revenue streams and business model

- ◆ Specify use cases before start

- ◆ Create the collaboration environment

- ◆ Define the scope of each service

- ◆ Define authorization flows

- ◆ Define source data systems

- ◆ Make data models mapping

- ◆ Identify the gap for the implementation

- ◆ Prototype & test via sandbox, repeat

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THANK YOU

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