

NextGen PSD2

THE *Berlin* GROUP
A EUROPEAN STANDARDS INITIATIVE



BUILDING BRIDGES

**A European Standard
for PSD2 XS2A**

Berlin Group and NextGenPSD2

The NextGenPSD2 Initiative is a dedicated Task Force of the Berlin Group with the goal to create an open, common and harmonised European API (Application Programming Interface) standard to enable Third Party Providers (TPPs) to access banks accounts under the revised Payment Services Directive (PSD2). In a unique partnership, participants in NextGenPSD2 are working together with the common vision 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 in general and European consumers and businesses in particular.

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Why is a standard API crucial for Access-to Accounts (XS2A)?

APIs are the cornerstone of the modern digital economy. Every time you buy from Amazon, use an App, make a payment, you are probably using APIs. APIs are used internally by businesses to share data between branches, customers, and suppliers. APIs are used externally by third parties to bring data together in new and exciting ways.

Certain abilities make their usage so widespread:

Ability to properly identify those, who access the resource

Thus, protecting customer data from illegitimate access

The possibility to publish it and allow widespread open source usage

So relying on APIs for initiating a payment or sharing information makes a lot of sense. However, PSD2 doesn't state how APIs should look like in detail. So each bank could create and publish their own implementation.

If you now imagine more than 4,000 banks in Europe, it is easily comprehensible that this is not a sustainable development. The efforts to implement and continuously maintain these vast amounts of interfaces is not viable and would impede any innovation based on XS2A. Thus standardisation is key to success.



Without standardised API:
Implementation for each ASPSP



With standardised API:
One implementation framework for a

Benefits to stakeholders using a standardised API

All

- Reduction of fragmentation risk across Europe
- Reduction of PSD2 XS2A complexity

TPPs and ASPSPs

- A single standard reduces implementation costs and efforts for ongoing maintenance
- Cost savings on development, maintenance, enhancement and testing
- Cost-effective compliance to PSD2

Regulators

- Meet one of PSD2 core objectives to foster innovation

TPPs

- Reachability to European banks with a harmonised framework
- Uniform access to the market

ASPSPs

- Allows better control and security when opening up their data to the benefit of their customers

Consumers and Business

- Profit from innovative new services that are enabled with XS2A

Why rely on the Berlin Group NextGenPSD2 standard API?

comprehensive • covering the roles of Payment Initiation, Account Information and Confirmation of Funds

flexible • covering a diverse range of strong customer authentication means

efficient • re-using existing banking standards as e.g. ISO 20022

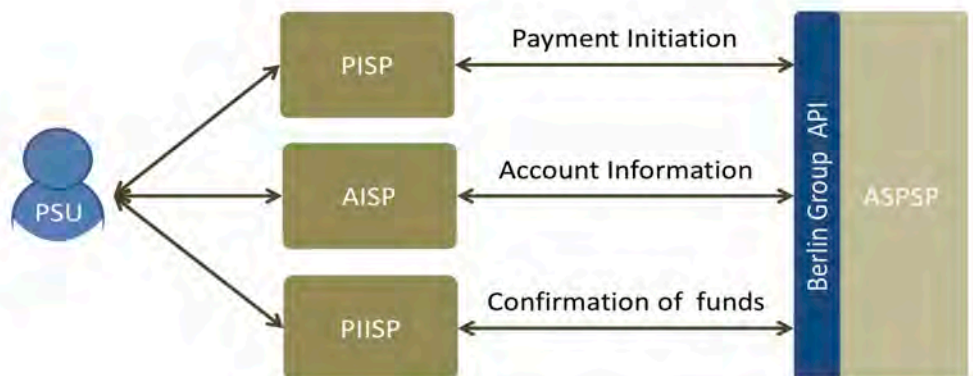
modern • based on newest technologies as RESTful, JSON etc.

secure • using identification standards as eIDAS

simple • clear layered model where each actor can choose the parts relevant to them

pan-European • actors from all over Europe have contributed to the framework

open • it's publicly available for everyone



Participants of the Berlin Group NextGenPSD2 Initiative

(as from February 2018)



Berlin Group

The 'Berlin Group' is a pan-European payments interoperability standards and harmonisation initiative with the primary objective of defining open and common scheme- and processor-independent standards in the interbanking domain between Creditor Bank (Acquirer) and Debtor Bank (Issuer), complementing the work carried out by e.g. the European Payments Council. As such, the Berlin Group has been established as a pure technical standardisation body, focusing on detailed technical and organisational requirements to achieve this primary objective.

The Berlin Group first met in Berlin, hence its name, in October 2004 and currently has participation of 24 major players in the payments industry from 7 different euro-zone countries and from Sweden, Denmark, Norway, Iceland, Latvia, Estonia, Lithuania, Turkey, Bulgaria, Hungary and Serbia, together representing more than 25 billion card-originated transactions annually within the Single Euro Payments Area (SEPA). The participants are banks (ASPSPs), banking associations, payment associations, national and international payment schemes, and interbank processors working in SEPA.

The Berlin Group is not engaged in the implementation of standards within or between schemes. Participation to the Berlin Group does not imply either endorsement of any of the solutions identified, or a commitment to implement them. Decisions on the implementation of the standards delivered by the Berlin Group are left to individual market participants.

More information: www.berlin-group.org

Fact Sheet

NextGenPSD2

Core services (*italic is optional*)

- AISP**
- *Establish account information consent*
 - *Get list of reachable accounts*
 - Get account details of a list of accessible accounts
 - Get transaction information for a given account
 - Get balances for a given account
- PIISP**
- Get confirmation on the availability of funds
- PISP**
- Initiation of a single payment
 - *Initiation of a future dated single payment*
 - *Initiation of a multiple/bulk payment*
 - *Initiation of a recurring payment*

Security Features

- TPP authentication by the ASPSP**
- Based on TLS
 - Electronic signature at application level (at ASPSP discretion)

- ASPSP authentication by the TPP**
- Based on TLS

- PSU**
- Delegated by the TPP to the ASPSP

- Data encryption**
- Based on TLS

- Fraud detection support**
- Based on PSU related data

Technical Characteristics

- Transport Protocol**
- HTTP version 1.1
 - TLS version 1.2

- Applicative Protocol**
- REST

- Authorisation Protocol**
- OAuth2 (optional)

- Character set**
- UTF-8

- Data structures**
- JSON & XML

- Data model origin**
- ISO 20022

- Identifier naming convention**
- ISO 20022 extended names

Documentation

Technical specifications available at <https://www.berlin-group.org/psd2-access-to-bank-accounts>