NextGen PSD2

A European Standard for PSD2 XS2A

Berlin Group 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 bank 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 and will contribute to further progress towards the European Single Market and benefit the payments industry in general and European consumers and businesses in particular.

Why is a standard API crucial for PSD2 XSA?

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 and securely identify those who access the resources

> In this way, customer data are protected from illegitimate access

> Public domain publication enables widespread usage

So relying on APIs for initiating a payment or sharing information makes a lot of sense.

PSD2 does not prescribe what APIs should look like in detail: in theory each bank could create, document, maintain, test and publish their own proprietary API standard.

When more than 4,000 banks in Europe would each have their own standard, this would create a Pan-European IT complexity with high related costs for all and block innovation. For these reasons, standardisation is considered key to successful PSD2 XS2A.

Without standardised API: implementation for each ASPSP
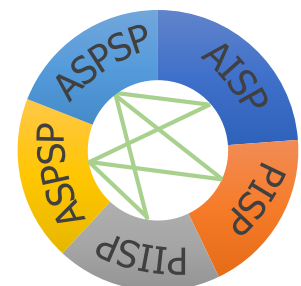
With standardised API: one implementation framework for all

Benefits to stakeholders

ALL
- REDUCTION OF FRAGMENTATION RISK ACROSS EUROPE
- REDUCTION OF PSD2 XS2A COMPLEXITY

REGULATORS
- MEET PSD2 CORE OBJECTIVE TO FOSTER INNOVATION

TPPS & ASPSPS
- A SINGLE STANDARD REDUCES COSTS AND EFFORTS IN DEVELOPMENT, IMPLEMENTATION, TESTING & MAINTENANCE
- COST-EFFECTIVE COMPLIANCE TO PSD2

CONSUMERS & BUSINESSES
- PROFIT FROM INNOVATIVE NEW SERVICES THAT ARE ENABLED BY XS2A

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

Why rely on the NextGenPSD2 Framework?

- **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

- **MODERN**: based on newest technologies, such as REST, JSON, etc.

- **COVERAGE**: already implemented in more than 20 countries

- **SECURE**: using identification standards such 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**: publicly available, for free

- **EXTENSIBLE**: new services beyond PSD2 will be added
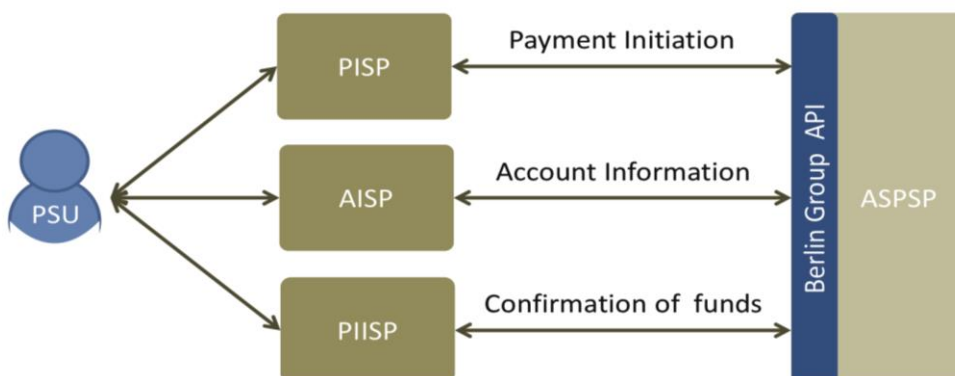
Participants Berlin Group NextGenPSD2
- March 2019 -

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 25 major players in the payments industry from 10 different euro-zone countries and from the UK, Sweden, Denmark, Norway, Iceland, Turkey, Bulgaria, Hungary, Serbia and Switzerland. 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 : OPTIONAL TO SUPPORT FOR ASPSP

AIS
- ESTABLISH ACCOUNT INFORMATION CONSENT
- GET ACCOUNT DETAILS OF THE LIST OF ACCESSIBLE ACCOUNTS
- GET BALANCES FOR A GIVEN ACCOUNT
- GET TRANSACTION INFORMATION FOR A GIVEN ACCOUNT
- *GET LIST OF REACHABLE ACCOUNTS*
- *GROUPING TRANSACTIONS TO SIGNING BASKETS*

PIIS
- GET CONFIRMATION ON THE AVAILABILITY OF FUNDS

PIS
- INITIATION OF A SINGLE PAYMENT
- *INITIATION OF A FUTURE DATED SINGLE PAYMENT*
- *INITIATION OF A BULK PAYMENT*
- *INITIATION OF A RECURRING PAYMENT*
- *CANCELLATION OF PAYMENTS*
- *GROUPING TRANSACTIONS TO SIGNING BASKETS*

Value added services definition has been started

Technical Characteristics

Transport Protocol	• HTTP version 1.1 • TLS version 1.2 or higher
Applicative Protocol	• REST with HAL support
Authorisation Protocol	• OAuth2/redirect, decoupled, embedded
Characterset	• UTF-8
Data formats	• JSON & XML
Data model origin	• ISO 20022
Identifier naming convention	• ISO 20022 extended names

Security Features

TPP identification by the ASPSP	• QWACS eIDAS certificates at TLS level • QSEALS eIDAS certificates at application level (at ASPSP discretion)
ASPSP identification by the TPP	• Based on TLS
PSU authentication	• Delegated by TPP to ASPSP
Data encryption	• Based on TLS
Fraud detection	• Based on PSU device related data

Interface Characteristics

- Multicurrency support
- Multilevel SCA/Corporate Banking support
- Integrated funds check in PIS
- Support of signing baskets
- Support of value added services

Documentation

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