

Anatomy Of An Open Banking Platform

OpenFinity Webinar – June 6, 2024 – 12:00PM ET



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Agenda

1. CFPB 1033 Compliance Timelines
2. Data Sharing with Open Banking APIs
3. Components of Open Banking Platform
4. Vendor Considerations

Compliance Periods Per Oct. 2023 Draft

The clock starts ticking for compliance once it is published in the Federal Register.

Compliance periods:

- + 6 months: FI > \$500B in assets / NonFI > \$10B in revenue
- + 12 months: FI \$50B to \$499B in assets / NonFI < \$10B in revenue
- + 30 months: FI \$850MM to \$50B in assets
- + 48 months: FI < \$850MM in assets



Actors Involved In Open Banking



Data Provider

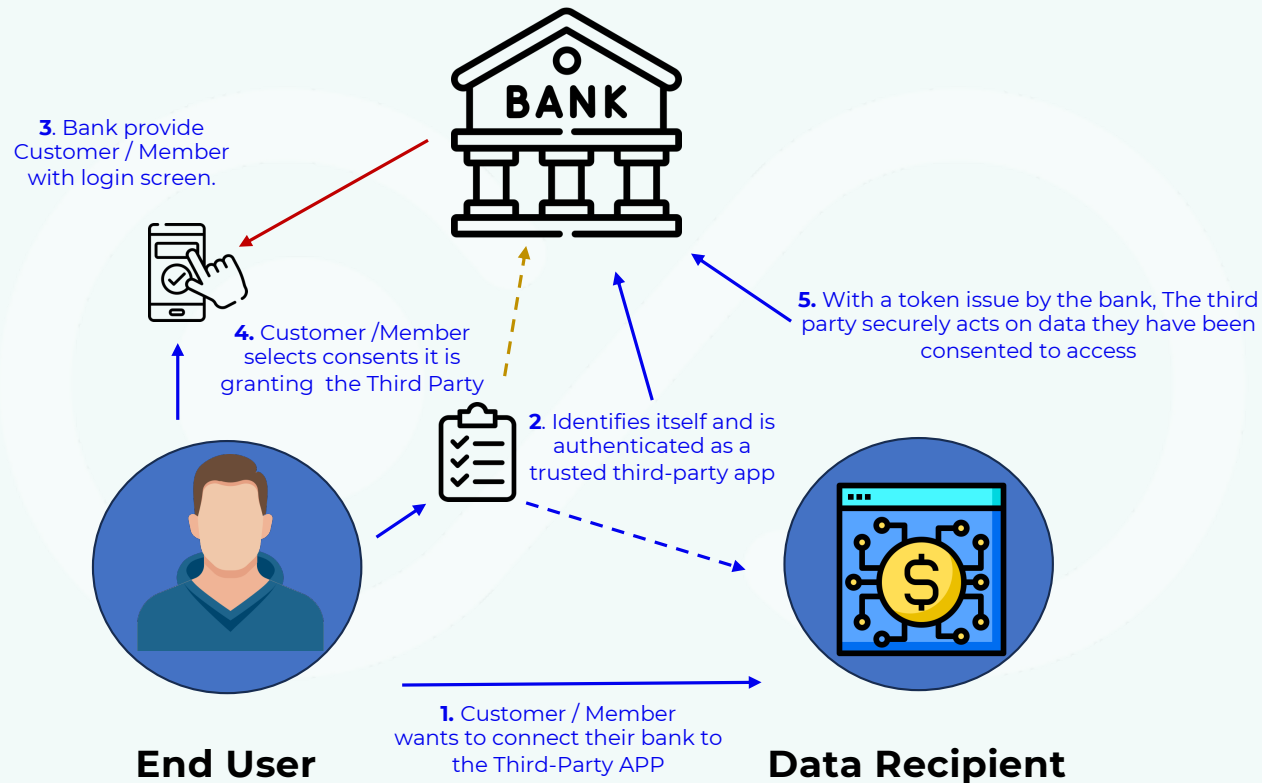


End User

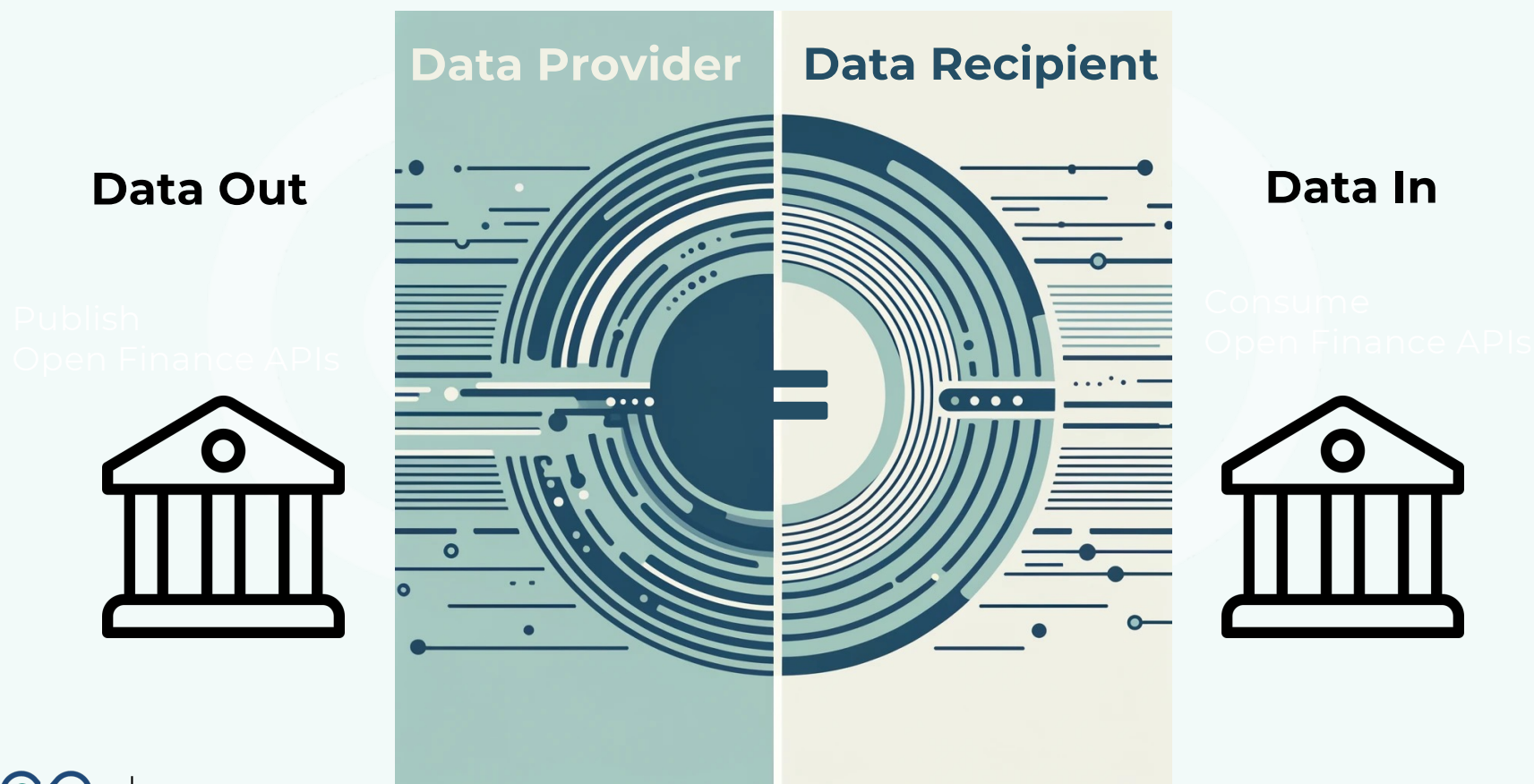


Data Recipient

Data Sharing With Open Banking



The Two Sides To Open Finance



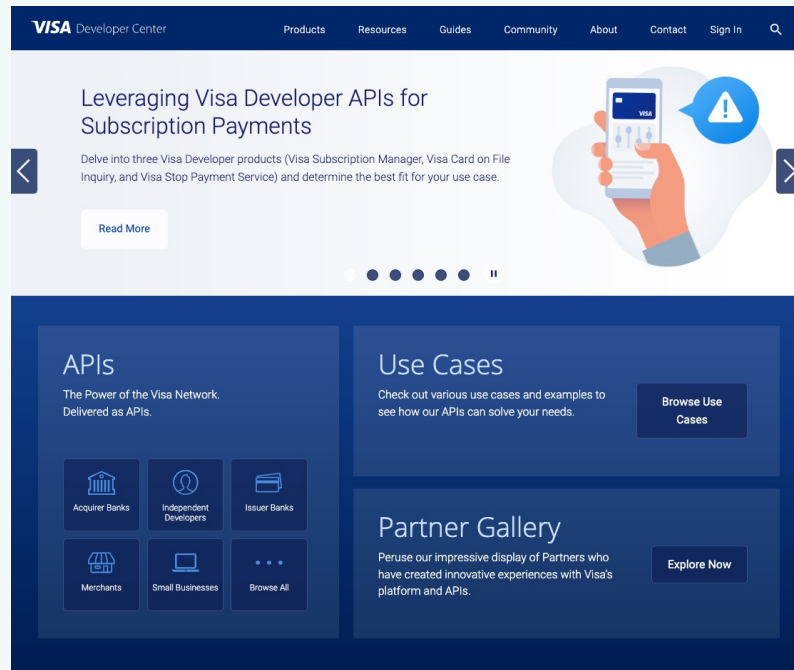
What Do I Need For An Open Banking Platform

1. Developer Experience
 2. Open Banking API (Standards Support)
 3. Security, Identity & Consent
 4. API Management and Integration
 5. API Consumption
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6. Putting It All Together
 7. Vendor Consideration



1. Developer Experience

The Most Important Channel



<https://developer.visa.com/>

Persona Driven Experiences



FinTech: Entrepreneur or Business Owner



FinTech: Developer



Bank Administrators

1. Developer Experience

ID	Feature	Description
1.1	Rich Developer Portal (marketplace)	A clear and attractive portal environment that enables developers to find and consume APIs quickly & easily.
1.2	Persona-Driven Design	A design approach focused on distinct developer personas, from business-oriented to highly technical.
1.3	Integrated Documentation	Documentation that covers open banking in general as well regionally specific glossaries and API definitions.
1.4	Developer Onboarding	Portal incorporates the ability for third-part developers to onboard, including validating their trusted identity.
1.6	SDKs & Postman Collections	Downloadable SDK packages and Postman collections that accelerate validation & testing of standard APIs.
1.7	Feedback Mechanisms	Portal elements that enable feedback loops from the developer community, such as live chats and reviews.



2. Open Banking API (Standards Support)

Financial Data Exchange

FDX Specifications



API and Data Structures

1. Accounts and Transactions
2. Tax
3. Money Movement
4. Consent
5. Customers
6. Capability and Metrics



User Experience

1. Consent Grant
2. Consent Viewing
3. Consent Revocation
4. Consent Notifications
5. Taxonomy



Security

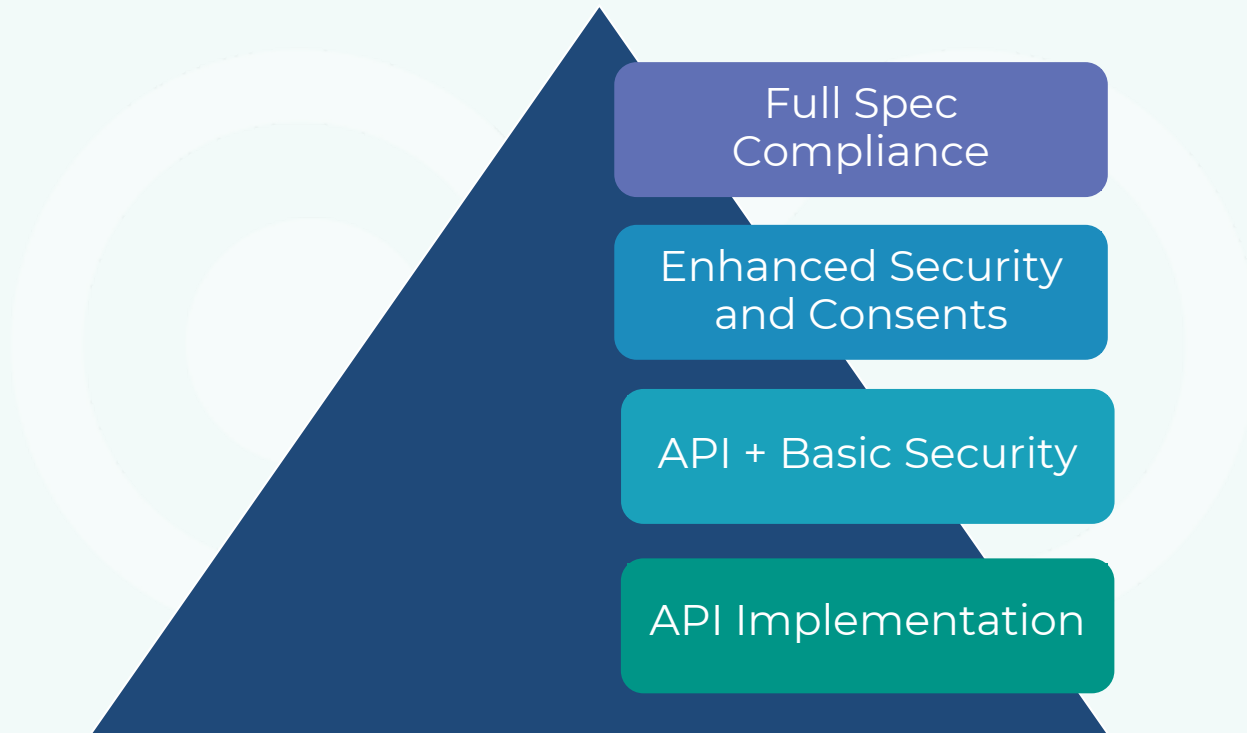
1. Secure AuthN & AuthZ
2. Security for Sensitive Data
3. Secure App Onboarding



Certification

1. Provider Requirements
2. Recipient Requirements (TBD)
3. Certification Use Cases
4. Certification Model

Levels Of Implementation



2. Standards Support

ID	Feature	Description
2.1	Built-in Standard Open Banking APIs	Complete implementation of open banking APIs based on the dominant regional standard (i.e. FDX in NA).
2.2	OIDC & FAPI Authorization	APIs fully implement OpenID Connect, Financial-Grade API and other applicable OpenID security specifications.
2.3	Pre-Configured Security Flows	All security flows necessary to support tokenized API access are already pre-configured into the API behavior.
2.4	Fully Integrated Consent	A complete user experience to support best-practice consent flows & redirection is integrated into the APIs.
2.5	Third-Party Identity Certification	The ability to validate the identity of a third-party using a certificate issued from an external trusted directory.
2.6	Persistent Back-End Sandbox	APIs are implemented on top of a persistent back-end database which can store & manage mock bank data.
2.7	Ongoing Support for Standards	Standards-based APIs are maintained on an ongoing basis to ensure continuous standards-compliance.



3. Security Identity and Consent

3. Security, Identity, and Consent

ID	Feature	Description
3.1	Full OAuth2 / FAPI / OIDC Compliance	Full support for dominant OpenID Foundation security specifications, including OAuth2, FAPI, OIDC & CIBA.
3.2	Integration with Existing IdP / IAM	Ability to integrate with existing security apparatus currently used for authorization and identity validation.
3.3	Third-Party Management	Interface for managing third-party organizations and individuals who have onboarded to use the APIs.
3.4	Consent Management	Interface for managing the consents customers have granted to share their bank data with third-parties.
3.5	Self-Service Consent Control	Embeddable customer-facing interface that enables bank customers to manage their own granted consents.
3.6	Dashboarding Capabilities	Real-time metrics and analytics provided through a flexible visual interface to measure platform health.
3.7	Operational Reporting	Automatic generation of common operational reports, including availability, error rates and overall usage.



4. API Management and Integration

4. API Management and Integration

ID	Feature	Description
4.1	API Management Capabilities	Tools and capabilities to support full-lifecycle API management based on proven, scalable API gateway.
4.2	Unified Catalog of API Assets	Single catalog of APIs across all applications & systems to provide a unified view across all integration assets.
4.3	Multi-Gateway Support	Ability to integrate with multiple API gateway solutions and other data planes to provide a common unified view.
4.4	API Marketplace Capabilities	A portal environment to enable developers to discover and utilize APIs available both internally and externally.
4.5	Low-Code Integration Tools	Visual integration tools that enable the building of flows for API orchestration & choreography without any code.
4.6	Integration with Existing Systems	Ability to integrate with existing APIs and financial systems using a broad range of pre-built adapters.
4.7	Cloud-Native Architecture	Support for cloud-native deployment architectures, including on-premises and hybrid deployments.



5. Open Banking API Consumption

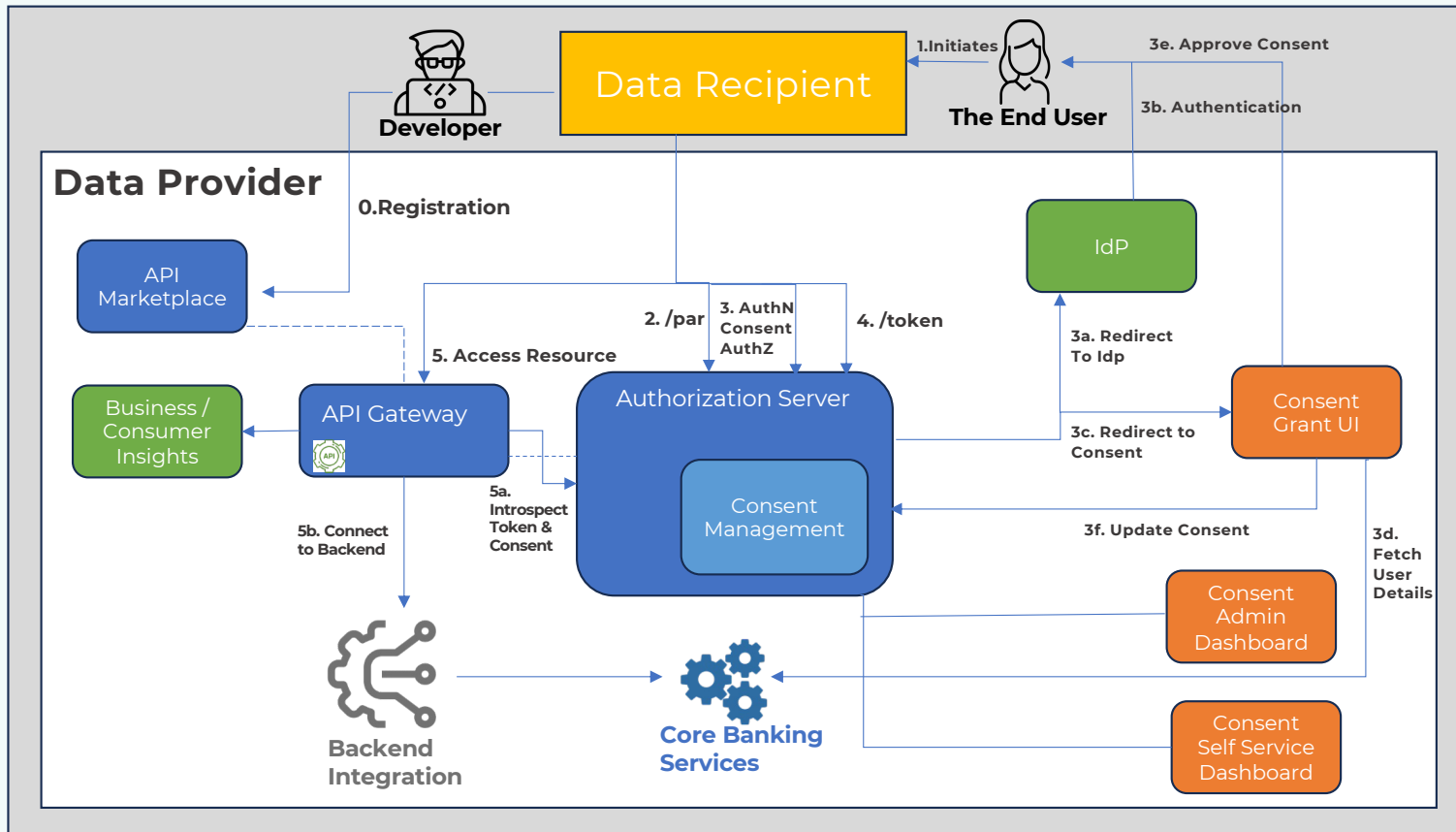
5. Open Banking API Consumption

ID	Feature	Description
5.1	Fintech Connectivity	Pre-built adapters and related tools to connect with prominent fintechs via their public proprietary APIs.
5.2	Financial System Integration	Pre-built adapters and related tools to connect with prominent core banking & back-end financial systems.
5.3	UX Templates and Accelerators	User-interface modules and widgets that accelerate the UX development of common open banking use cases.
5.4	Aggregation Capabilities	Ability to retrieve banking information from a range of institutions and aggregate the results via standard APIs.
5.5	Re-Distribution Capabilities	Ability to publish or export data captured via standard APIs to another source, either via API or by other means.
5.6	Premium API Definitions	Pre-built APIs which address common open banking use cases that leverage enrichment and re-distribution.
5.7	Data Capture Capabilities	Ability to capture and persist banking data retrieved via standard APIs, including normalization and enrichment.



6. Putting It All Together

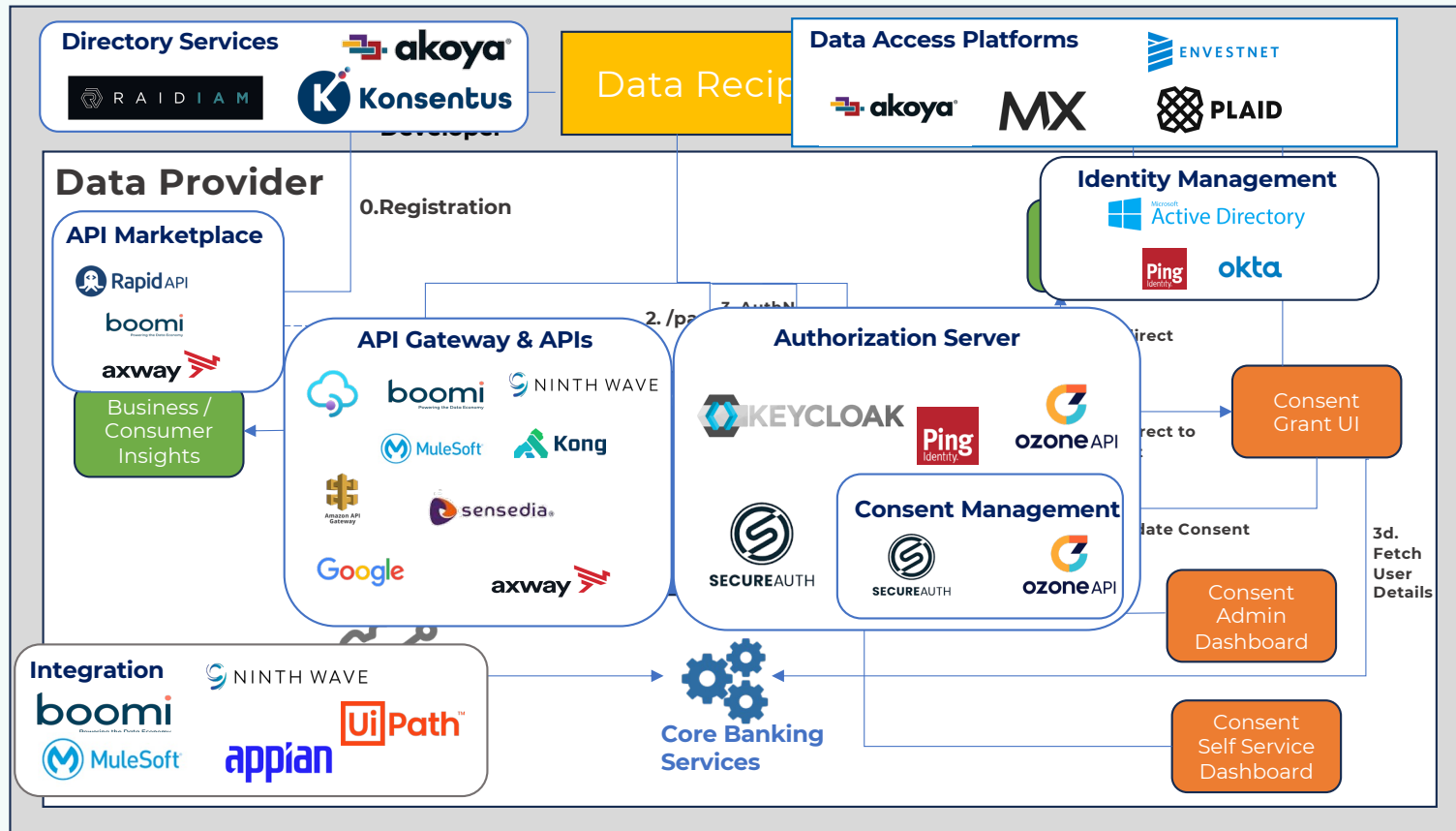
FDX Open Banking Components and Journey Flow





7. Vendor Considerations

FDX Open Banking Components and Journey Flow*



* Example of Vendors for considerations – OpenFinity does not endorse any vendors

Owning the Open Banking APIs gives you flexibility and control both technically and contractually





OpenFinity//EXPO

November 19-20



Call For Speakers

expo@openfinity.org

1033 Essentials

Business Cases &
Monetization

Consent
management

Security

Data Governance

Legal & Privacy

Core Banking

Payments

AI

Krypto

Financial Inclusion

Fintech

Meditation &
Leadership

Portal &
Marketplace

DevOps

International
Experience



OpenFinity Members Can Download the pdf Guide 'Key Building Blocks of an Open Banking Platform' @ <https://www.openfinity.org/blog>

Q&A

(use Chat to ask your question)

Thank You

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