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in progress of being formalised into

**ETPPA**

**European Third Party Providers Association**

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**10 June 2019**

**Statement from TPP representatives on the Report of the ERPB Working Group on a Single Euro Payments Area (SEPA) Application Programming Interface (API) Access Scheme**

Dear Sir or Madam,

I write to you on behalf of the five European Third Party Providers that have actively participated in the ERPB SEPA API Access Scheme WG.

The TPP representatives as a whole, largely endorse the report resulting from the work conducted by the group since February. However we dissent with section 6 of the report “A Possible Way Forward” and would like to explain the reasons for our dissent separately to the report. We kindly request you to share this document with the ERPB members prior to the next meeting scheduled for June 13.

**Clarification from Third-party provider (TPP) participants to the dissent with parts of section 6 ‘A possible way forward’**

The SEPA API Access Scheme aims to define key elements of a scheme. These key elements shall be developed with PSD2 as a “baseline” but also going beyond such baseline to encompass value-added services. Over the course of the spring, the Working Group has made significant progress in identifying such key elements.

If PSD2 and its implementation in terms of dedicated interfaces (APIs) shall be the baseline for the Scheme, the Scheme's success is dependent on a good implementation of PSD2 when the RTS comes into force and beyond.

In addition to complying with the explicit legal requirements on APIs under PSD2, the PSD2 APIs must also not create obstacles to the provision of PIS and AIS. The API Evaluation Group, which comprised participants from across the industry as well as other stakeholders, in 2018 specified 37 recommended functionalities which APIs should accommodate. A good implementation of PSD2, which does not erect obstacles for the provision of PIS and AIS, in our view means that the interfaces provided by ASPSPs fully accommodate the API EG's 37 recommended functionalities.

Since March 2019 many ASPSPs have launched beta versions of PSD2 APIs. At the time of writing, end-of-May, it is the view of the TPP representatives of the SEPA API Access Scheme that out of the APIs we have collectively so far viewed and tested, very few, if any, such APIs are not erecting obstacles to the provision of PIS and AIS.

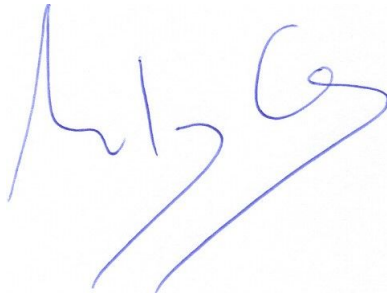
This realisation causes great concern as to the feasibility of the development of an API Access Scheme on the basis of PSD2 and its market implementation; as an example, user journeys at point of sale would be impossible based on redirection-based authentication. It also creates a resource allocation problem in that TPPs will need to keep all hands, including CEO attention, focused on the PSD2 implementation over the next several months and will not have sufficient qualified resources to allocate to the Working Group activities.

As a Scheme is envisaged to encompass value-added services which could be subject to remuneration there would be an incentive for asset holders to provide fewer functionalities in access-to-account interfaces under PSD2 and instead charge for such functionalities in the context of a scheme. As such, we believe a key question the Working Group needs to address is the main principles for which services should be considered as value-added. We are of the view that functionalities that are offered to asset holders' customers directly, i.e. data or transactions assets available in the customer interfaces of the asset holder, should be out of scope for remuneration as the customer is already in possession of them. Alternatively, it could be subject to remuneration as long as the functionalities are made available to asset brokers without any restrictions and additional costs via direct access through the PSU interfaces. This principle would remove the incentive for asset holders to withhold functionalities in the PSD2 interfaces and facilitate fair competition by ensuring that the SEPA API Access Scheme would not be a means to dominate or even monopolise data and functionality, which can be obtained via PSU interfaces with other methods.

It is our view that in the coming months the payments industry needs to gather all its attention on ensuring a full and good implementation of PSD2. As the topic of a possible continuation of the Working Group was only discussed at the last Working Group meeting and other members had different views, we have no choice but to dissent with the conclusions in the section of the report called "A Possible Way Forward".

Our alternative proposal would be that during the time of PSD2 implementation, the work of the Working Group should be put on hold. By late 2019 or early 2020, the Working Group should (i) evaluate the status of the implementation and the feasibility of using the PSD2 APIs as the baseline for the Scheme, and (ii) determine the principles for what would constitute “value-added services” which could be subject to remuneration. Sequencing the work of the Working Group in this way would maximise the likelihood that the full Working Group will succeed in its mission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Arturo González Mac Dowell', written in a cursive style.

Arturo González Mac Dowell  
Representative  
FoEF, Future of European Fintech Alliance  
Chair  
ETPPA, European Third Party Providers Association