



May 27, 2021

Arab Monetary Fund

Open Banking and Beyond

Open Banking, APIs and Related Regulatory Framework : international experiences

Brad Carr, Managing Director - Digital Finance, Institute of International Finance

Open Banking and the Data Economy

Open Banking seeks to pursue twin key objectives:

Empowering
consumers

Promote
competition:
new entrants - neobanks;
FinTechs

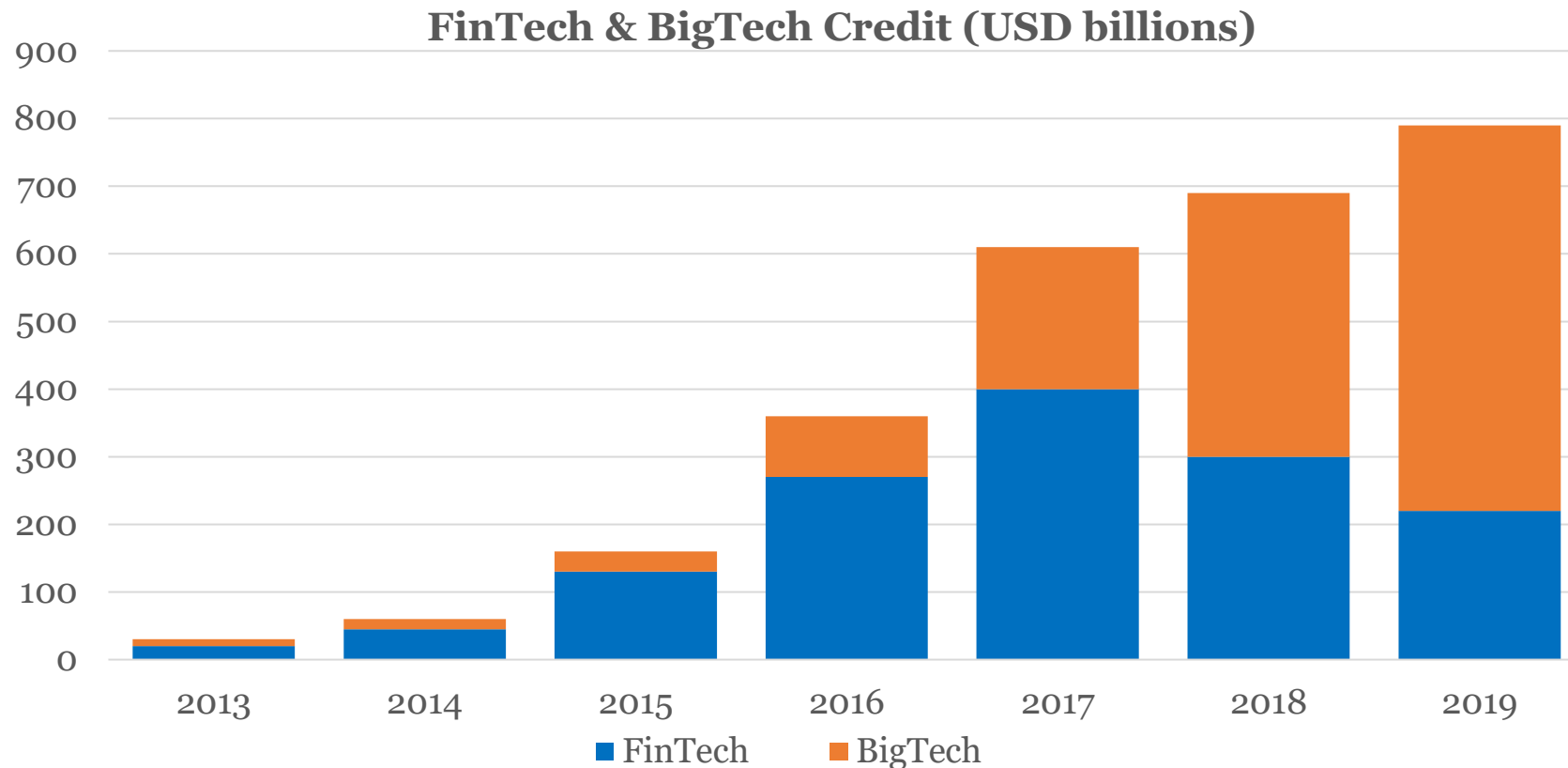
However, this must be considered in the context of shifting market dynamics, accelerated digital adoption, and the growing role of data in the new economy.

“ *Open Banking is not about banking; it's about data* ”

- Asia-based Country CEO of a major global bank

FinTechs, BigTechs & Market Dynamics

BigTech firms are increasingly embedded in our lives, and more important in the economy than ever – amplifying trends that were already under way pre-COVID. These shifting dynamics extend to financial services, impacting competition, the nature of bank-tech partnerships, and the consequences of initiatives such as Open Banking.



Source: BIS Working Paper 887, FinTech and BigTech Credit: a new database, September 2020; data for US, UK, EU, China, Australia and New Zealand.

Open Banking – Notable Developments

Canada:

- Consumer-directed Finance
- Verified.Me

Norway:
BankID

China:
the platform
economy model

USA:

- market initiatives
- data ownership

Subsequent
presentations will
examine Brazil, South
Africa and the UK

Singapore:
Personal Data
Protection Act

Australia:
Consumer
Data Right

Beyond Open Banking: Open Digital Identity

There are compelling imperatives for financial institutions to support Digital Identity solutions for consumers and SME clients, empowering customers with control of their identity data per the principles of Open Banking.

Cross-sectoral integration is critical – the successful solutions will be those than span customers’ lives – e.g. Vipps BankID in Norway (see below) and Verified.Me in Canada.

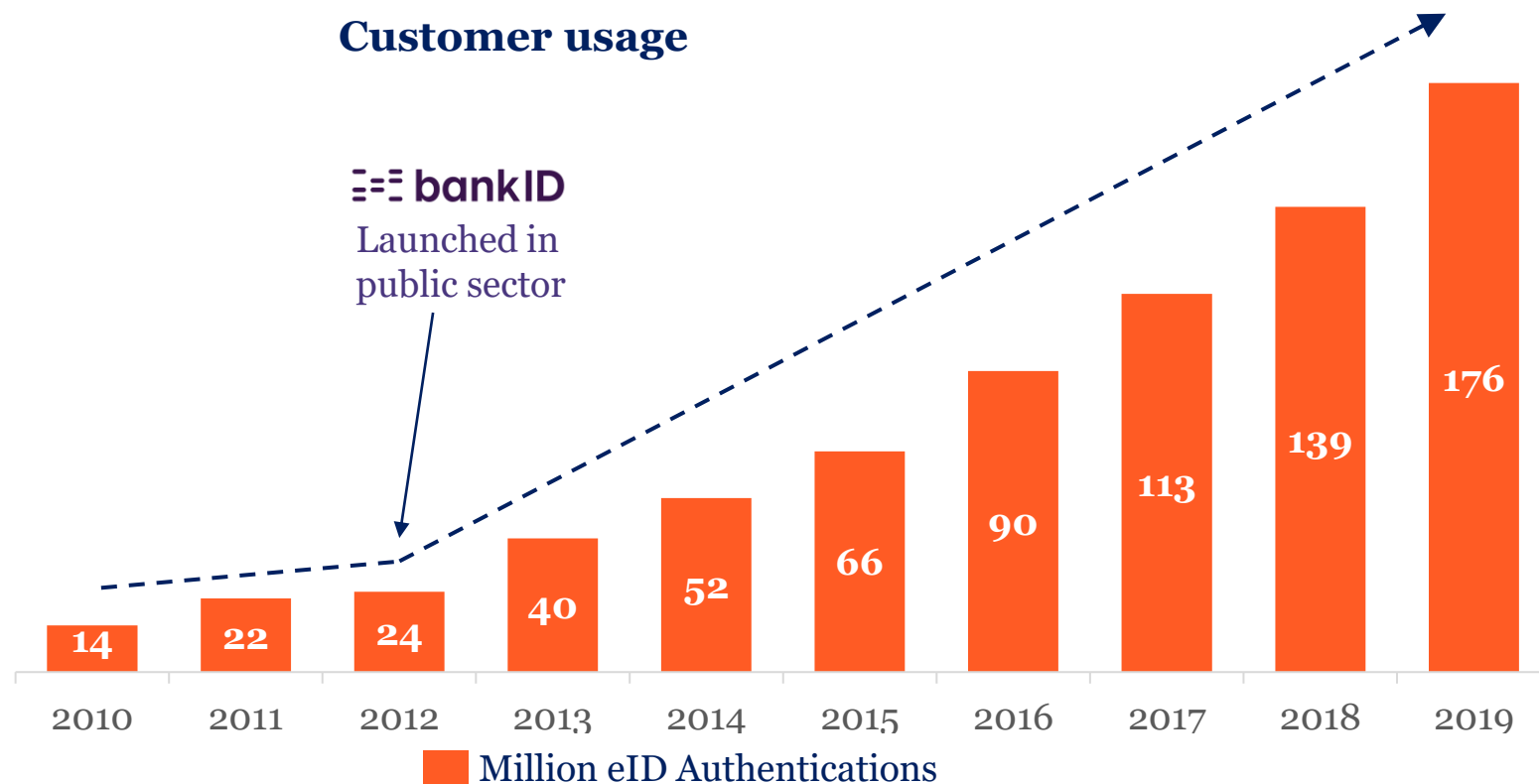


Copyright Vipps 2021. All rights reserved. Re-produced here under permission from Vipps.

Open Digital Identity: public sector catalyst

Integration with public services has been a powerful catalyst for digital identity utilization, evidenced by the tremendous growth achieved by BankID since it became accepted by the Norwegian Government Service Portal.

Verified.Me can now be utilized for services of Employment and Social Development Canada.



Copyright Vipps 2021. All rights reserved. Re-produced here under permission from Vipps; sourced from : <https://samarbeid.difi.no/rappporter-og-statistikk/statistikk/id-porten>.