

# PSD2 & XS2A

## Beyond Regulation – the Business Opportunities

PSD2 & XS2A

# INTRODUCTION

# The Key Principles of Access to Account

## Third Parties

- From as early as 2017 the PSD2 will allow consumers to ask “third parties” to initiate payments or access account information on their behalf.

## Banks

- The bank holding the account (**AS-PSP** – Account Servicing Payment Service Provider) must facilitate this.

## Latest News

- The phrase **TPP** (or Third Party Payment Service Provider) has been removed in the latest version.
- Instead we have **PI-SP** (Payment Initiation Service Provider) and **AI-SP** (Account Information Service Providers)

# PSD2 Agenda – creating a Framework for Third Party Access

## An objective

- Fostering innovation and competition by giving third parties access to bank accounts.

## A challenge

- Maintain security by not providing credentials to third parties but without hindering access to account.

## A framework

- A standard communication protocol between banks and third parties.
- Standardization led by market or authorities.
- Before PSD2 implementation.

# Access to Account Services

## Account Information



- Account Information Service Providers (AI-SP)
- Access of account data hold at the bank (AS-PSP) through third parties (e.g. balances, transaction information, ...)

## Payments from the Account



- Payment Initiating Service Providers (PI-SP)
- Initiation of payments from the bank account through third parties

Payment Initiation Services

# PAYMENT FROM THE ACCOUNT

# Payment from the Account – how does it work?



1. Once you're ready to pay, select MyBank as your payment method and type the name of your bank. You are automatically directed to your own online banking portal.



2. Enter your familiar online banking access passwords to securely enter your account. Your payment details are displayed for your verification.



3. Authorize the payment. In a few seconds you and the online business both receive confirmation of payment.



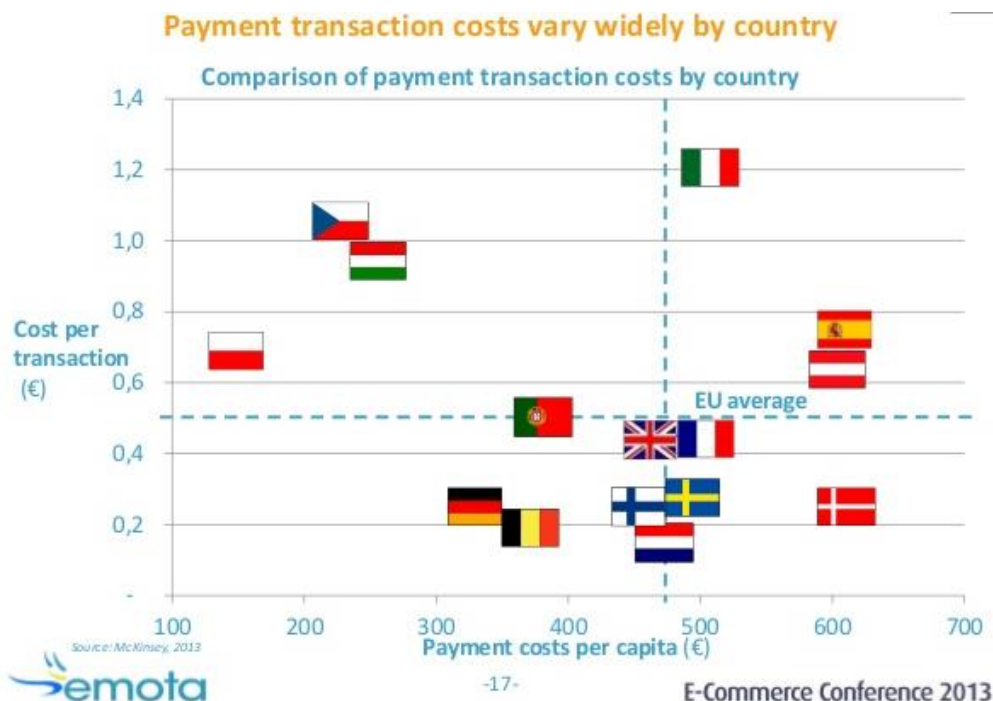
4. Your order is successfully processed and your goods or services are on their way.

# The Success of Credit Transfer for Online Payments

## iDEAL achievements in the last 7 years

- More than 140 million transactions per year
- 60% of E-commerce payments in the Netherlands
- TOP 5 brand
- The Netherlands is the country with the lowest E-commerce transaction cost in Europe

(source: Emota)





# Online Credit Transfers unlock E-commerce Barriers for Consumers and is very cost effective

## Simplicity

- No registration
- Real-time
- Easy refund process

## Safety and Trust

- No sensitive data shared with third parties
- Trust in merchant becomes out of scope

## Cost Effectiveness

- SCT and SDD costs
- No PCI
- No fraud
- No interchange

# Payment from the Account – Redirection or Interfacing?

## Redirection

- Validation done by the buyer within the online banking environment



## Interfacing

- A third party collects the credentials of the online banking and proceeds to the validation on behalf of the buyer

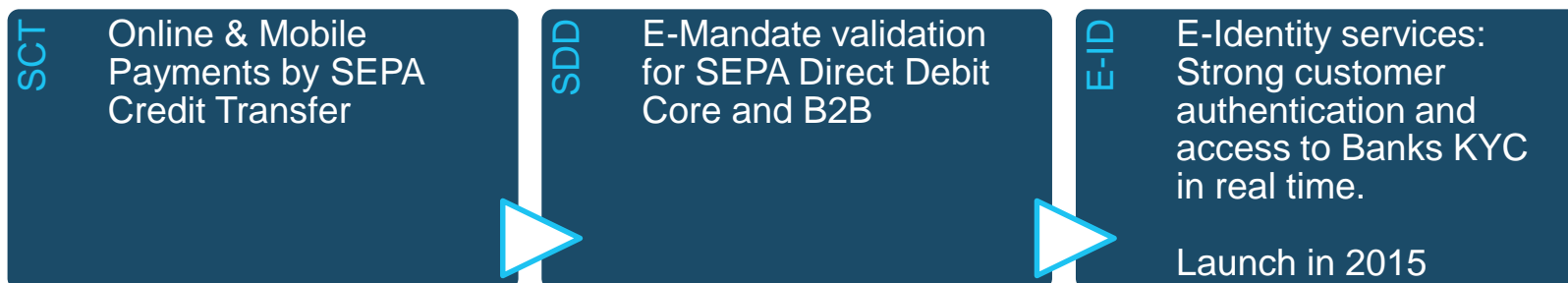


The Business Opportunities

# MYBANK FOR XS2A

# MyBank – the pan-European Multi-Purpose Solution

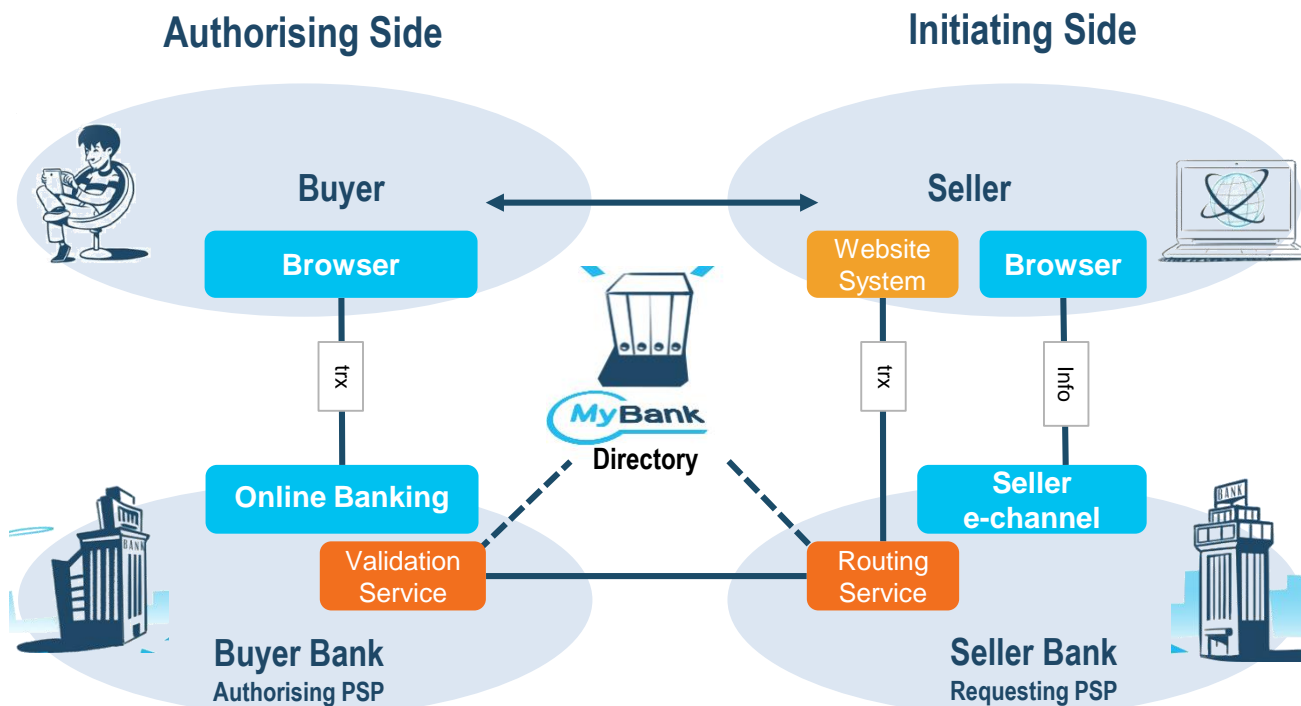
- MyBank is a **service infrastructure** and an **E-authorization solution** offering a real time **access to accounts** all over Europe.
- MyBank is a **four corner model**:  
We on-board **Banks** and **Payment Service Providers** in the unique ecosystem who can sell and deliver the services to end users. In addition technical service provider and consultancy firms can join the ecosystem offering services around MyBank.
- MyBank **services** cover:



- MyBank is an initiative by **EBA Clearing** a specialist of pan European payment infrastructure owned by the major European Banks.

# MyBank – a classic, simple and safe Four Corner Model

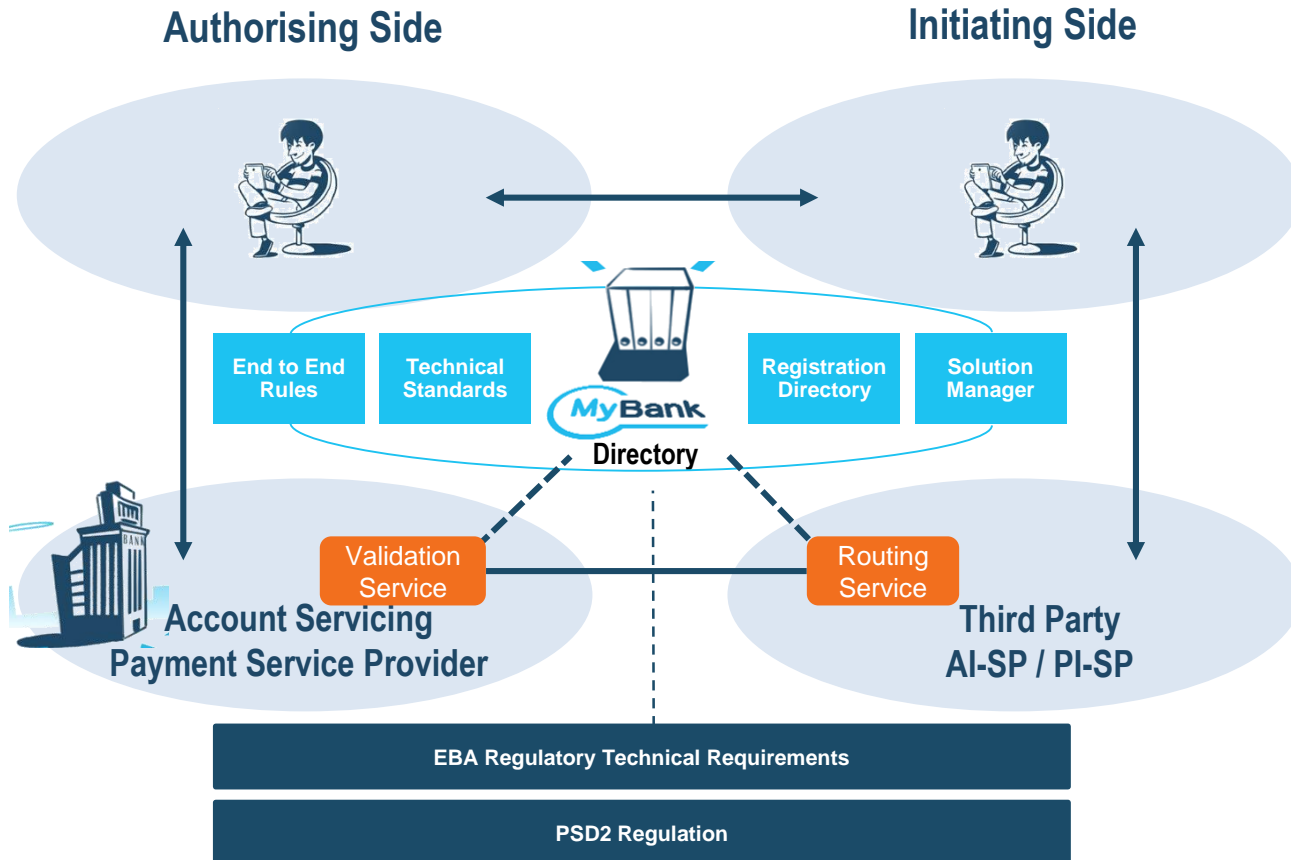
Based on a protocol using internet standards and web services.  
No single platform. No specific network. No central processing. No central storage of data.



# MyBank acting as API for Accessing Accounts all over Europe maintaining Security and fostering Innovation

One interface as a library of requests and responses.

MyBank acting as an API, integrated into a web services layer, using internet security protocols and sitting on an ISO 20022 data standard.



# Placing Banks at the Heart of the new Payment and Digital Landscape for a safe and simple Digital Experience

## Eradication and digitalisation of costly processes

- Checks
- Mandates
- Authentication
- Due diligences
- ...

## Cross selling opportunities of value added services

- Payment facilities
- Insurances
- ...

## New sources of revenues

- Mandate validation
- E-ID services
- Big data
- Co-operations with Fintechs developing the future by accessing data and infra-structure of the banks
- ...

## For Corporates and Public Administration, a real-time access to Banks' KYC and Services, all over Europe

### For payments

- Please authenticate and confirm my Client has approved an irrevocable SCT
- ...

### For mandate validation

- Please authenticate and confirm my client approved this mandate
- ...

### For E-ID services

- Authentication: Please authenticate strongly my client
- Due diligences: Please confirm my client is the owner of this IBAN / is over 18 / ...
- ...



## A Call to all PSPs

### As Account Servicing Payment Service Provider recognize

- There must be a market led solution that will be in place by the time PSD2 comes into force, that leverages existing online banking infrastructure.
- This solution must comply with the PSD2 and EBA Technical requirements.
- This solution must be multi-purpose, go beyond payments and cover new services.

### And so

- We turn to PRETA / MyBank to organise this.
- Implement MyBank as the solution to allow consumers to initiate payments via your accounts and to access data, either directly or via interoperability arrangements where relevant.



**Any questions?**

**For further Information**

[www.mybank.eu](http://www.mybank.eu)

**Thank you**