



➤ API Banking

The shift to open banking

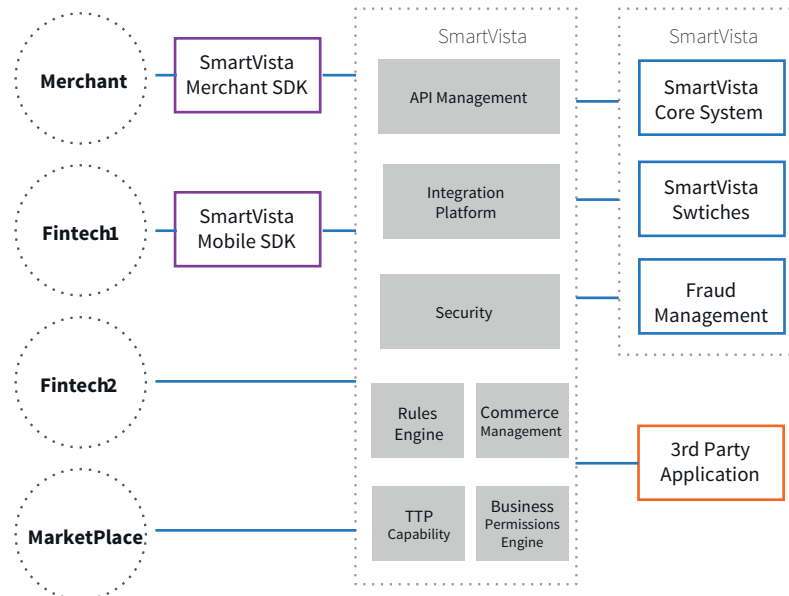
The shift to open banking and move towards value added services.

Open banking is set to have a major impact on the financial services industry. In the last few years, open APIs have gained traction and financial institutions are revisiting their channel and partner strategies accordingly. The revised Payment Service Direct, known as PSD2, is one of the driving forces behind this evolution. The European Commission mandates banks in its member states to allow regulated Third Party Providers (TPP) to access the customer's account information or initiate payments on behalf of a bank's customer.

The PSD2 intends to create an environment where third parties and banks alike can innovate and deliver value added services to end users while still protecting the customer's sensitive data. Banks will need to provide secure API access to payment initiation and account information services in order to comply with the regulation – but most banks are exploring their options to extend the scope of their open banking project in order to monetize the investments made to open up their existing back end systems.

More than compliance

Compliance with the PSD2 regulation is levelling the playing field, so it is key to understand where a bank can differentiate and create a unique value proposition for their clients and partners. The introduction of a flexible and secure API management layer allows a bank to create new digital products and respond more quickly to changing market requirements without affecting their existing back end systems. Since those back end systems are typically not designed to cater more agile development approaches, a dedicated API Banking platform can provide the flexibility required to address the ever changing client needs, while at the same time facilitating the integration with various back end systems.



SmartVista as the platform for compliance and beyond

The SmartVista API Banking solution is based on the SmartVista Integration Platform and provides banks with a solid foundation for PSD2 compliance as well as additional, value added API products. SmartVista comes with an SDK, which allows developers to quickly create new functionality and roll out new APIs to the market quickly. As requirements will continue to evolve, and a multitude of API standards will emerge, SmartVista's support for multi version APIs will play a critical role in the bank's API banking infrastructure.

Supporting the developer community

The APIs exposed by financial institutions and service providers will be the foundation based upon which a large developer community will create their own applications. Therefore, the SmartVista API Banking solution comes packaged with a sandbox to allow these third party developers to test their solutions against and ensure interoperability of the applications as well as the

necessary level of quality of the end user solution.

Performance is king

Opening up banking and payment services through external APIs in the context of PSD2 also implies that a bank has to meet a number of obligations in terms of availability and performance in order to be in line with the regulatory requirements. SmartVista comes with built-in API traffic management and integrated system monitoring tools, allowing banks to stay on top of the performance metrics of their open banking infrastructure.

Out of the box support for API standards

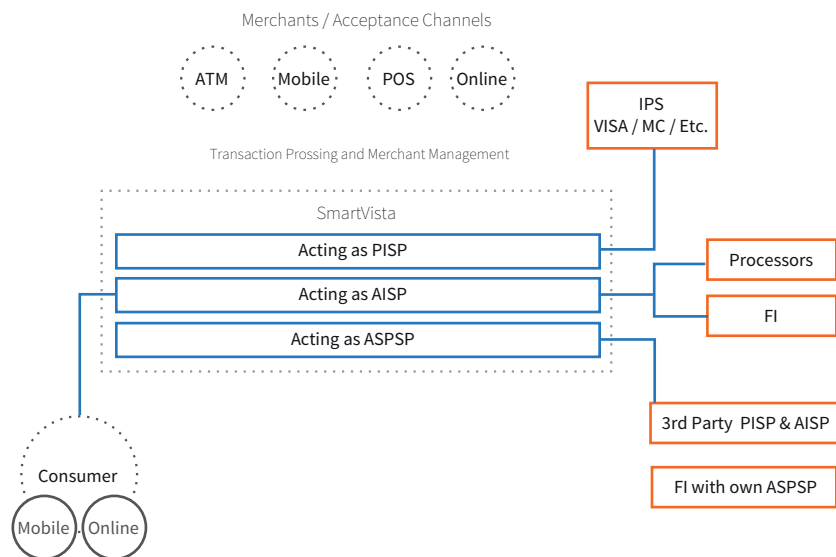
The European market is still very much working towards a standard for the PSD2 APIs and the regulation also allows banks to opt for any of those standards or even create their own flavour. The SmartVista API Banking platform therefore does not only support multiple European standards, such as UK Open Banking, Berlin Group or STET, but also allows the creation of other domestic or proprietary API versions.



Security at the heart of the solution

When granting third parties access to potentially sensitive data, a financial service provider must at all times ensure that the right levels of security are implemented throughout the entire value chain. This includes securing the access to the APIs, user authentication, authorization of actions, integration with strong, 2 factor authentication solutions, security audit trails and tokenization – all of which is based on industry best practices and standards such as OAuth2 or OpenID.

SmartVista API Banking platform comes pre-integrated with the SmartVista Fraud solution to allow fraud prevention and detection. The API Banking solution is also responsible for capturing the end user consent for granting a third party access to bank account information, and will validate whether this consent is still valid (and not revoked by the end customer for example).



Managing consent

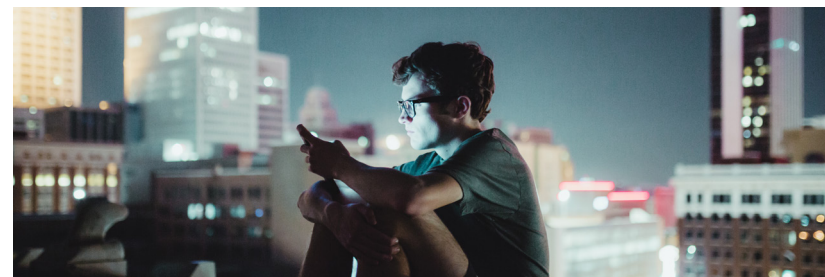
One of the fundamental principles of the PSD2 regulation is to give payment service users (PSU) full control over their data. Any participant on the chain, whether it is a third party or an account servicing PSP, needs to be able to capture the PSU's consent. SmartVista comes with full consent management capability, seamlessly integrated with the bank's strong customer authentication solution to allow the user to authorize any consent given.

Exposing data from back end systems

Sharing of account information through an API or allowing the client to initiate a payment through a third party provider, implies that the API banking platform needs to integrate with a variety of back end systems, such as core banking, payments system, identity and access management, notification services or any other application for which the bank aims to make a public API available. The SmartVista Integration platform is exactly designed to cater for these integration requirements and comes with a comprehensive library of predefined interfaces to allow rapid integration with the back end systems.

Multiple roles, single platform

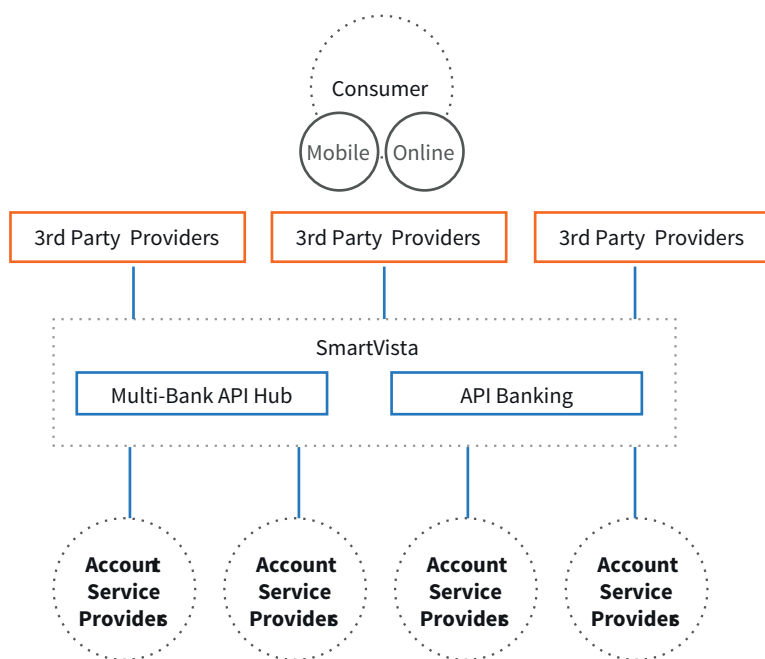
The SmartVista API Banking solution supports the various roles defined in PSD2, all based on a single platform. It can be deployed to support access to account information and payment initiation services for third parties by a bank (or Account Servicing PSP) but can equally fulfil the role of a Payment Initiation service provider and Account Information service provider (either as a third party provider or as a bank that wants to leverage the PSD2 APIs at other banks).





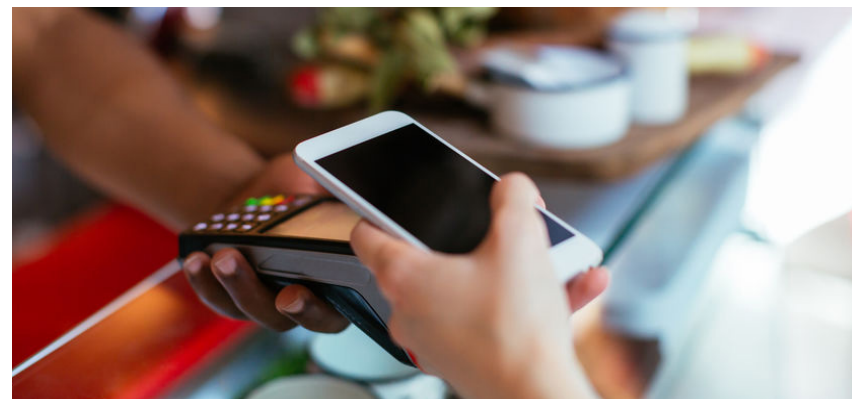
SmartVista as an API Hub

SmartVista API Banking can also be deployed in a multi bank setup to cater for providers that intend to provide a centralized API hub and run this on behalf of the banks or as a separate service. In this model, the solution needs to integrate with multiple back end systems at multiple banks and also has to cater for the differences in the supported interfaces (real time or not) and security methods (embedded strong customer authentication or out of band authentication). Thanks to the usage of highly customizable BPMN engine to orchestrate the business process flows according to the bank's specific setup.



SmartVista Key Features

1. Full API management, including developer portal, monitoring, request throttling, security, multi version
2. Built in test tools and sandbox capability
3. Security first approach based on industry best practices and standards
4. Sophisticated PSU consent management
5. Powerful integration engine
6. Support of PSD2 API standards
7. Highly configurable workflow
8. Integration with strong customer authentication solution
9. Management of SCA exemption rules
10. Third Party onboarding
11. Infrastructure for PSD2 compliance as an AS PSP, extendable in other API domains
12. Payment initiation Service Provider capability as an extension on existing card based e-commerce offerings
13. Account aggregation capability
14. Integrated with SmartVista Fraud module for fraud prevention and detection





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