The Swiss Standard for Open Banking

Overview, opportunities, outlook
Swiss Banking Services Forum, 22 May 2019

Cornelius Dorn, Head Strategy & Business Development, Swisskey Ltd
### Open Banking Is a Reality in Different Shapes and Forms

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Industry consultations, drafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>Italy</td>
</tr>
<tr>
<td>USA</td>
<td>Spain</td>
</tr>
<tr>
<td>Canada</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Mexico</td>
<td>Norway</td>
</tr>
<tr>
<td>Belgium</td>
<td>Japan</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 2</th>
<th>National law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>India</td>
</tr>
<tr>
<td>Australia</td>
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</table>

<table>
<thead>
<tr>
<th>Step 3</th>
<th>Grant licenses</th>
</tr>
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<tbody>
<tr>
<td>UK</td>
<td>Finland</td>
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<tr>
<td>Germany</td>
<td>Ireland</td>
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<tr>
<td>France</td>
<td>Czech Republic</td>
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<tr>
<td>Sweden</td>
<td>Hungary</td>
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<tr>
<td>Denmark</td>
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</tbody>
</table>

- Industry players are creating products / services that organically lead consumers to share data
- Regulators play a more consultative role

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### Market governed

- China
- Indonesia
- Turkey
- Argentina
- UAE
- Thailand
- South Korea
- Russia
- Brazil
- Taiwan
- South Africa
- Switzerland
- Singapore

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### Regulation governed

- Malaysia
- USA
- Canada
- Mexico
- Belgium
- Italy
- Spain
- Netherlands
- Japan
- Hong Kong
- India
- Australia
- UK
- Finland
- Germany
- Ireland
- France
- Czech Republic
- Sweden
- Hungary
- Denmark
- China
- Indonesia
- Turkey
- Argentina
- UAE
- Thailand
- South Korea
- Russia
- Brazil
- Taiwan
- South Africa
- Switzerland
- Singapore

Example RTGS – Two Models to Integrate New Stakeholders Into the Payments Ecosystem

**Model 1:**
Open (indirect) access

**Model 2:**
Direct access

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**Client** → **Fintech** → **Bank**

RTGS

**Examples**

1. [European Union flag]
2. [Australian flag]
3. [Swiss flag]
4. [British flag]
From: a Multitude of Existing / Emerging APIs …

<table>
<thead>
<tr>
<th>Service</th>
<th>Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Services (AIS)</td>
<td></td>
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<tr>
<td>Payment Services (PIS)</td>
<td></td>
</tr>
<tr>
<td>Bank Apps &amp; Experiences</td>
<td></td>
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<tr>
<td>Core Banking (Accounts)</td>
<td></td>
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<tr>
<td>Lending</td>
<td></td>
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<tr>
<td>Payment Networks</td>
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<tr>
<td>Customer Data</td>
<td></td>
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<tr>
<td>Fintech Partners</td>
<td></td>
</tr>
</tbody>
</table>
To: ...Solution Providers Offering Standardized Platforms

- Payment Services
- Account Services
- Bank Apps & Experiences
- Fintech Partners
- Core Banking (Accounts)
- Payment Networks
- Customer Data
- Lending

Open Banking API
SIX Is Building Such a Platform in Switzerland

Third-party providers

APIs
1
2
3
4
...

APIs
I
II
III
...

Banks

...
First Use Cases Focus On SME Account Information and Payments With Additional Use Cases In the Pipeline

<table>
<thead>
<tr>
<th><strong>Current focus</strong> (target: ERP SW houses)</th>
<th><strong>Potential future use cases</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>AIS – Account Information Service</td>
<td>ADS – Accounting Data Service</td>
</tr>
<tr>
<td>PIS – Payment Initiation Service</td>
<td>BRS – Business Reporting Service</td>
</tr>
</tbody>
</table>

- Third-party access to corporate bank account data
- Ability for client to submit payment instructions to bank
- Approval in e-banking
- Ability for client to grant bank access to debtor and creditor accounting data
- Ability for client to transmit "E-Bilanz" directly to bank
APIs Developed for AIS and PIS Use Cases

Service User

Third Party Provider

Interface

SIX Connectivity

Service Provider

Bank of customer

Bank

Customer

SME

TPP
API Specification for AIS and PIS Available for Interested Stakeholders

Standardized API specification

API specification v1.0 released
- REST/JSON und REST/XML for use cases AIS and PIS
- Thoroughly discussed with banks and TPPs
- Covers needs of first MVP stakeholders

Pilot launch with v1.0

1. Adapters to bank-specific APIs could be built if needed, but require additional effort from the bank
One Legal Framework, One Onboarding Process, One Set of Criteria

Members (Banks / TPPs) can be Service User or/and Service Provider
## Various Use Cases to Develop a Distinctive Value Proposition

<table>
<thead>
<tr>
<th>Account Information</th>
<th>Corporate</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Account management</td>
<td>Account aggregation</td>
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<tr>
<td><strong>Account reconciliation</strong></td>
<td>Account aggregation</td>
<td>Authentication services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compliance check</td>
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<tr>
<td></td>
<td></td>
<td>Products cross-selling</td>
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<table>
<thead>
<tr>
<th>Payment Initiation</th>
<th>Corporate</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automated payment solutions</strong></td>
<td></td>
<td>P2P payments</td>
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<tr>
<td></td>
<td></td>
<td>C2B payments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Combined</th>
<th>Corporate</th>
<th>Retail</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Liquidity and finances management</td>
<td>Integrated daily banking solutions (both for accounts and payments)</td>
</tr>
<tr>
<td></td>
<td>End-to-end solutions</td>
<td>B2C credit-risk scoring</td>
</tr>
<tr>
<td></td>
<td>B2B credit-risk scoring</td>
<td>Lifestyle solutions beyond payments</td>
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</tbody>
</table>
Open Banking Is Coming.

And SIX Is Building the Platform for It.
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