SWIFT creates financial sector API blueprint

Cooperative expedites standardisation to foster financial industry API adoption

Brussels, 16 October 2018

SWIFT has today published a blueprint for common API standards following collaboration with European banking standards bodies, STET and Berlin Group NextGenPSD2 – who together represent many of the region's banks and payment service providers.

As pressure from regulators and customers shift banking towards more open access to financial services, SWIFT is playing a lead role in unlocking the potential of API technology by providing the neutral collaboration platform to develop the common data standards the industry needs.

SWIFT's white paper, *Towards a global platform for the Financial Services API economy* <link>, published today, concludes that a successful transition to an API-based financial ecosystem is only possible if financial standards bodies converge towards a shared business standardisation methodology.

Regulators around the world have identified the need for interoperability among financial institutions as they move towards a more open banking model. SWIFT, STET and Berlin Group NextGenPSD2 are at the centre of efforts to avoid fragmentation, isolation, and the needless complexities that will frustrate attempts to build the value-added services that customers want.

SWIFT is working to minimise inefficiencies caused by differing regulatory specifications that could limit opportunities for common API frameworks across different regions and potentially require different solutions for every market. The cooperative has lent its long-standing expertise in standards, specifically ISO 20022 – the standard for electronic data interchange between financial institutions – to work alongside STET and Berlin Group NextGenPSD2 in Europe to define the building blocks for the new services that will spring from the new API economy.

Stephen Lindsay, Head of Standards at SWIFT, said: "APIs are at the core of SWIFT's strategy and a key part of how we deliver a faster, more transparent experience to our customers. Overall, the financial services industry has been slow to adopt APIs, but it's catching up fast. With the wealth of experience we have working with standards at SWIFT, it is fitting that we're at the forefront of API standardisation and efforts to avoid fragmentation of approach as the industry embraces API technology. In our role as neutral facilitator, we have made the most of our unique position to create and maintain the standards necessary for processing financial transactions efficiently and securely."

SWIFT, STET and Berlin Group NextGenPSD2 have concluded a first phase where a business model for the PSD2 Account Information Services has been defined using common standards. This data model will be the foundation for any API definitions and will enable interoperability among PSD2 participants. This work follows a successful collaboration on the creation of a common API framework between SWIFT and Australia's New Payments Platform (NPP).

Hervé Robache, PSD2 API Coordinator at STET, said: "STET has been involved with PSD2 API topics since 2016. Our participation in different working groups at the European level has confirmed our assumption that there is strong demand for common standards. Having the building blocks that can accommodate all business needs and be reused by all API providers is critical to achieving this goal, which is why the development of this ISO20022 model is such an important and exciting development."

Dr. Ortwin Scheja, Chief Editor at Berlin Group NextGenPSD2, said: "For Berlin Group NextGenPSD2, alignment and convergence on PSD2 API standards has always been a crucial objective which has consistently been communicated into the market since the start in 2016. The alignment with SWIFT and STET on the PSD2 relevant data models is a perfect example of a core

component in the harmonisation that Berlin Group NextGenPSD2 advocates. We believe that open and harmonised PSD2 API standards are the necessary building blocks of an interoperable market."

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SWIFT has published an information paper on the challenges the industry faces as it moves towards an API economy. Available here.

About SWIFT

SWIFT is a global member owned cooperative and the world's leading provider of secure financial messaging services. We provide our community with a platform for messaging and standards for communicating, and we offer products and services to facilitate access and integration, identification, analysis and regulatory compliance.

Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories. While SWIFT does not hold funds or manage accounts on behalf of customers, we enable our global community of users to communicate securely, exchanging standardised financial messages in a reliable way, thereby supporting global and local financial flows, as well as trade and commerce all around the world.

As their trusted provider, we relentlessly pursue operational excellence; we support our community in addressing cyber threats; and we continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. Our products and services support our community's access and integration, business intelligence, reference data and financial crime compliance needs. SWIFT also brings the financial community together – at global, regional and local levels – to shape market practice, define standards and debate issues of mutual interest or concern. SWIFT's strategic five-year plan, SWIFT2020, challenges SWIFT to continue investing in the security, reliability and growth of its core messaging platform, while making additional investments in existing services and delivering new and innovative solutions.

Headquartered in Belgium, SWIFT's international governance and oversight reinforces the neutral, global character of its cooperative structure. SWIFT's global office network ensures an active presence in all the major financial centres.

For more information, visit www.swift.com or follow us on Twitter: @swiftcommunity and LinkedIn: SWIFT.

About STET

STET is one of the leading payments processors in Europe operating both a highly performant CSM and a Card authorisation Switch, STET processed over 23.1 billion transactions in 2017.

STET is at the forefront of the digital revolution offering latest technology CSM services including instant payments. Our work on PSD, Fraud scoring, TPP Digital HUB and Tokenization contributes to safer payments in a fast evolving market.

More about STET: www.stet.eu

About the Berlin Group

The Berlin Group is a pan-European payments interoperability standards and harmonisation initiative with the primary objective of defining open and common standards in the interbank domain. In the same spirit, Berlin Group NextGenPSD2 is an open, ad-hoc, pan-European industry standards coalition of 51 organisations operating across all EU Member States and representing a diverse cross-section of the European banking and payments industry.

A full list of the NextGenPSD2 participants, with their company logos, can be found at www.berlin-group.org/psd2-access-to-bank-accounts.

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