



EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels, **13 FEB. 2018**
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Mr Andrea Enria

Sent by email:
andrea.enria@eba.europa.eu

Dear Mr Enria,

Thank you for your letter of 26 January 2018 regarding the EBA Regulatory Technical Standards (RTS) on Strong Customer Authentication and Common and Secure Open Standards of Communication under the revised Payment Services Directive (PSD2) and its final adoption by the Commission on 27 November 2017.

While I can understand your position that EBA should have been consulted once again on some of the amendments that went into the final version of the RTS, we would regard these amendments as a move towards EBA's opinion. They take on board concerns expressed by EBA and by Member State officials at the meeting we held on 27 July at which EBA was also present. The changes introduced by the Commission were also explained on numerous occasions, whether at meetings of the EBA Task-Force on Payments (TFPS) or in bilateral conversations with the EBA Secretariat. However, I also acknowledge the need to keep supervisors fully on board. As far as this RTS is concerned, my services will be ready to explain the final version of the RTS and to inform supervisors regularly on the crucial work of the API standards evaluation group.

It is not possible for EBA or the Commission to anticipate all possible problems with APIs, and to specify in the RTS how they have to be addressed. We will therefore have to rely on market players to develop together APIs that work for all sides – banks, third-party providers (TPPs) and payments services users.

The best way in which we can help national supervisors is by supporting this work by market participants, ensuring that they identify and solve problems themselves at an early stage and sparing national competent authorities (NCAs) the difficult task of investigating problems with APIs. This could be much heavier than granting exemptions from having to adapt the online banking interface as a fall-back option for TPPs. Banks will make their APIs available, TPPs will use them and if there are no complaints about them, NCAs grant an exemption, after having informed EBA of their intention to do so. All this should be a very smooth process if the work of the API standards evaluation group is successful.

Our respective services have a lot of influence on the success of this evaluation work, and the market participants represented in this group clearly expect guidance from the

Commission and EBA. I would therefore very much welcome if your staff participated actively in the meetings of this evaluation group. Many issues that will be discussed in this group should also be taken up in the Q&A tool that EBA is envisaging for PSD2 and the RTS.

In your letter, you also point to the obligation for NCAs to assess corporate payment processes or systems and whether they deliver security levels that are equivalent to those achieved using strong customer authentication (SCA). Here too, we are confident that the resulting workload for competent authorities will remain reasonable. In most cases, NCAs will be in a position to ask the firms using such well-established systems to provide security audit reports attesting of the quality of those systems.

The differences between EBA and the Commission with regard to the RTS were about processes, not the longer term goal that we aim to achieve, namely an EU-wide open banking environment based on highly standardised dedicated interfaces for third-party providers. Whether these processes become burdensome for EBA and NCAs depends most of all on the behaviour of market players. They stand ready to cooperate to comply with PSD2 and the RTS. We, EBA, the ECB and the Commission, should give them our full support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P.P. LSG' followed by a long horizontal stroke.

Olivier Guersent