

# Open Finance vs. Digital Finance

Ralf Ohlhausen

# EC Digital Finance Strategy

- Tackle fragmentation in the DSM for financial services
  - EU legal framework, interoperable digital identity solutions, harmonised AML and CTF, revised e-IDAS
  - harmonised licensing and passporting regimes
  - EU digital finance platform to foster private-public cooperation
- EU regulatory framework facilitating digital innovation
  - EU legislative framework for crypto-assets (MICA)
  - regular reviews to remove regulatory obstacles to innovation
- **EU financial data space to promote data-driven innovation (building on the European data strategy, including enhanced access to data and data sharing within the financial sector)**
  - make publicly disclosed information available
  - EC strategy on supervisory data in 2021
  - **EC legislative proposal for a new Open Finance framework**
- Address new challenges and risks associated with the digital transformation
  - propose adaptations with respect to consumer protection and prudential rules
  - proposal for a new Regulation on Digital Operational Resilience (DORA)

# TPPs' biggest problem: Confusing PSD2 & Data Sharing

**LEX** Lexology

## Dutch Data Protection Authority investigates account ...

PSD2 refers to the EU's 'Payment Services Directive 2' and sets out rules for payment service providers. PSD2 requires that banks provide third ...

27 Feb 2020

**m** Mondaq News Alerts

## Data Security and Cybersecurity - Banking Regulation ...

10.1 What is the applicable data protection regime in your jurisdiction and ... for operational and security risks of payment services under PSD2.

16 Apr 2020

**F** Fintechnews Switzerland

## EU Consumers Uncomfortable Sharing their Data, Finds New ...

European consumers still have reservations about open banking offerings despite the entry into force of the Revised Payment Services ...

14 Dec 2020



**e** Finextra

## Will trust woes undermine Open Banking under PSD2?

"The problem with PSD2 in this circumstance is that it isn't prescribing the banks to provide all of this data through their APIs. There is no ...

6 Nov 2019



**g** Goosed

## Can You Trust Revolut's Open Banking?

Another benefit of PSD2 is being able to manage one bank account ... For example, Bank of Ireland state that they "share your data with the ...

17 Jun 2020



**ve** EURACTIV

## LEAK: Commission plans new revolution for "open finance" in ...

... financial firms and other companies to share more customer data to ... (PSD2), which forced banks to share part of their clients' data with new ...

17 Sep 2020



**P** POLITICO.eu

## EU privacy regulators warn about risks in new data-sharing regulation

European privacy regulators warned EU legislators today about privacy risks posed by a key piece of legislation on data-sharing. In a joint ...

1 week ago

**IA** Information Age

## Will data regulation lead to increased security risks ...

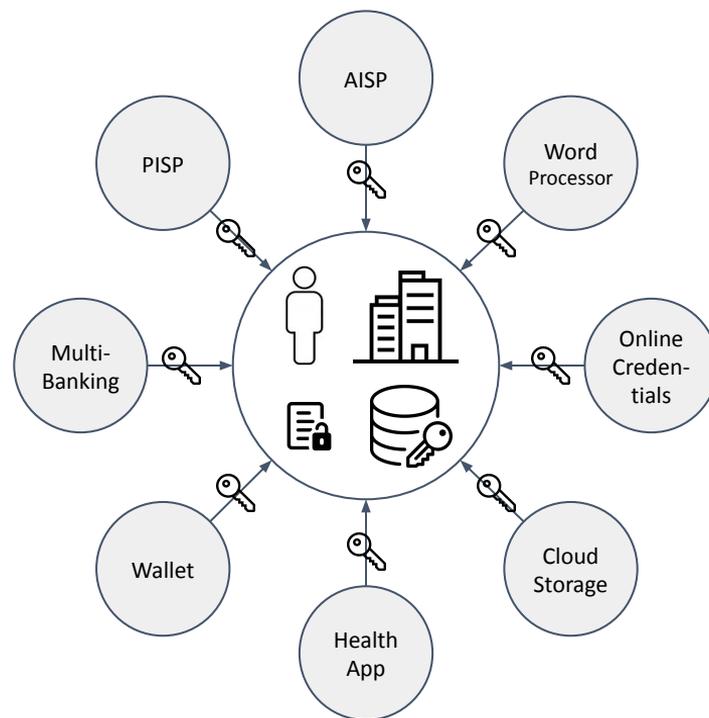
As the volume of data regulation increases, organisations' attitude to security must ... standards for authentication in Payment Service Directive 2 (PSD2). ... and transaction risk analytics to assure consumer trust in the system.

16 Mar 2020



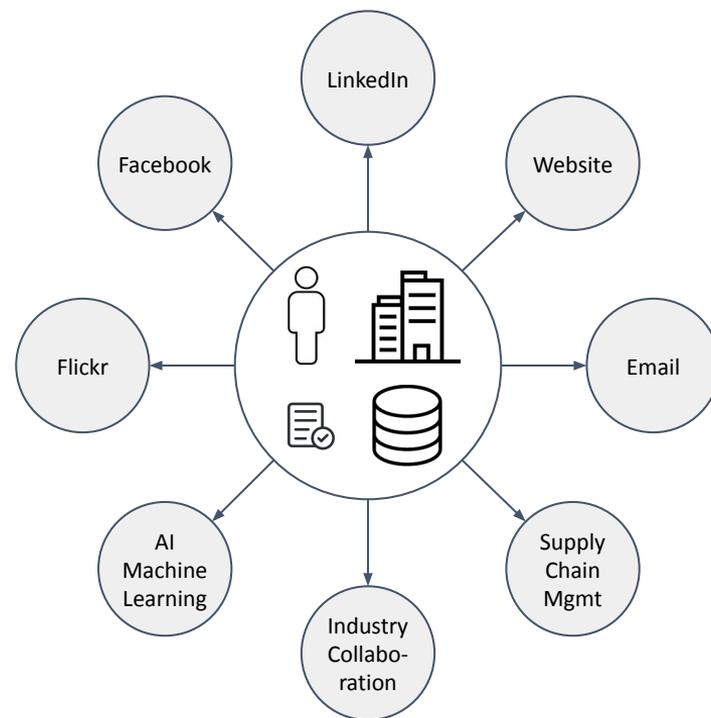
# Open Data: Unlocking & Re-using My Data for Myself

- Enabling MYSELF to use (3rd party) services
- Granting access as needed for the service
- 3rd party requires explicit consent
- Unlocking data if needed
- Providing access key if needed
- Keeping full data ownership
- Keeping full control
- 100% confidentiality required
- 100% safeguarding imposed
- No “sharing” of data whatsoever
- Requires trust in service provider
- Analogy: giving your keys to the neighbour
  - to water the plants and empty the mailbox
  - not to share anything with them!



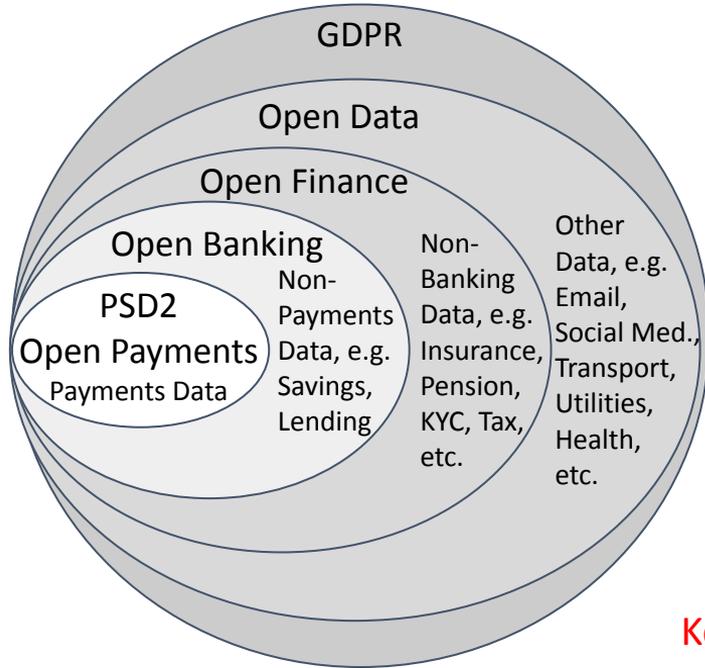
# Data Spaces: Sharing My Data with Others

- Sharing information for OTHERS to use it
- Giving away the control over my data
- Usually, giving away data ownership
  - selling data for money
  - exchanging data for a service
  - exchanging information
  - donating data for the public good
  - etc.
- Not providing any confidential data
- Not providing any keys
- No confidentiality required
  - or guarded by a contract
- No trust required
- Analogy: Garage/Yard sale
  - taking your household goods outside
  - sell them to others

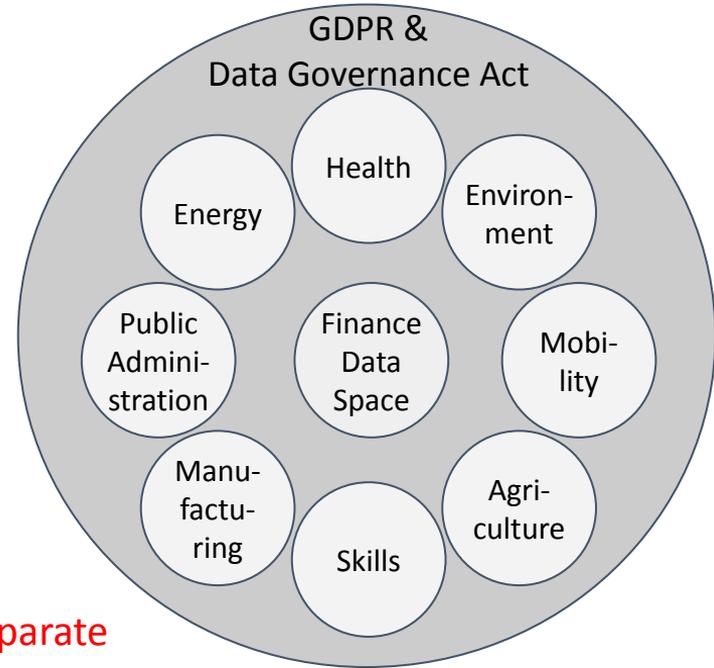


# Open Finance vs. Finance Data Space

## Open Finance “Re-using my data for myself”



## Finance Data Space “Sharing my data with others”



Keep | separate

# Contact

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