

Open Bank Project PSD2 Suite

PSD2 involves a considerable investment in technology and operations. Banks can respond in two ways: they can either do the minimum to become compliant or they can follow the solution adopted by Amazon, Google, Facebook et al, and become a platform.

About Open Bank Project

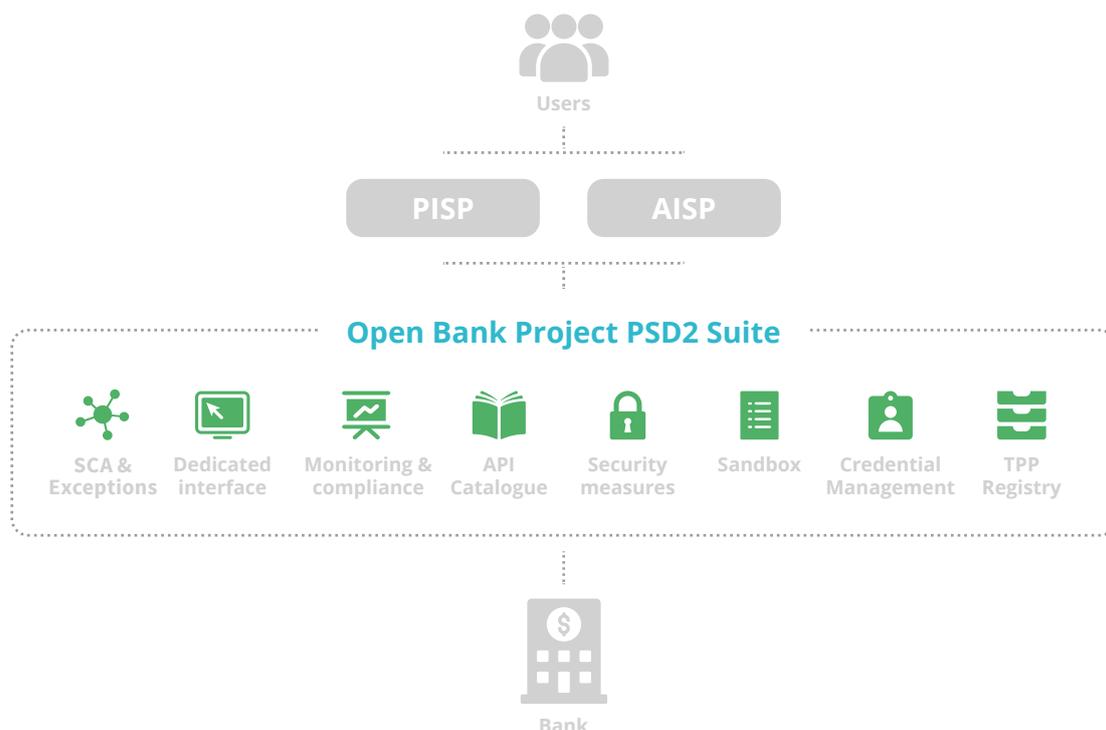
We at the Open Bank Project believe that banks should think of PSD2 not as a compliance dilemma and/or market threat, but more as an opportunity to embrace the new world of open banking, to better identify and respond to customer needs and to build a differentiated relationship with customers using their services.

Open Bank Project PSD2 Suite is a API-driven compliance toolkit for financial institutions, which allows them to focus on new opportunities while making sure that their infrastructure is PSD2-compliant.

How Open Bank Project PSD2 Suite helps

PSD2 regulation ensures that banks will create mechanisms so that Third Party Providers (TPPs) are able to work securely, reliably and rapidly with the bank's services and data on behalf of the customer. Whilst the EU does not explicitly require banks to use Application Programming Interfaces (APIs) to meet their PSD2 obligations, most believe this is the best way forward.

Tesobe's OBP PSD2 Suite enables financial institutions to securely and rapidly comply with PSD2. The Suite is based on the OBP API Platform and includes the following set of tools, softwares and services:



Connect with us

To learn more about PSD2 or if you would like us to help accelerate your Open Banking initiative, please contact us at:

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The OBP PSD2 Suite is based on OBP API Platform and includes the following set of tools, softwares and services:

- 1 **Dedicated Interface:** the OBP API Platform complies with the obligations for access interface through which TPPs are able to identify themselves, communicate securely, initiate a payment and receive the information needed to operate. OBP API Platform can be deployed in a highly available mode with load balanced instances and message queues, and provides automated tests, GUIs and APIs for monitoring and reporting on performance occurrences;
- 2 **API Catalogue:** a catalogue of over 200 standard and pre-built APIs specifically designed for banks and covering all PSD2 requirements (such as Access to Account Balance, Access to Transaction History, Funds Available, Payment Initiation etc.) is available in OBP API Platform. Berlin Group and STET specifications are covered as well;
- 3 **SCA and exemptions:** the OBP API Platform works with multiple authentication methods, transaction request types and security challenges to support a variety of payment initiation contexts (trusted beneficiaries, recurring transactions, low-value transactions etc.);
- 4 **Monitoring & Compliance:** the OBP API Platform provides monitoring, tools and APIs for responding to fraudulent payments considering previous user behavior, transaction history, location of payer and payee, known compromised secure elements and current attacks
- 5 **Security measures:** the OBP API Platform is OWASP-safe: passwords are not echoed to the user, strong passwords are enforced and users are locked out following successive failed password attempts. It uses SSL/TLS as a transport layer and provides functions that implement AuthCode, a non-reversible, one time use code that is locked to a specific payment (Transaction Request) or other operation that should be submitted correctly by the user for the operation to proceed. All internet traffic is encrypted at the transport layer using TLS (https). Additionally, OAuth1.0a or OpenID Connect encrypts at the application layer;
- 6 **TPP registry** and consent management are available from the OBP API Manager and other tools via APIs;
- 7 **Sandbox:** the OBP PSD2 API Sandbox solves the regulatory requirement for a publicly available PSD2 sandbox. The authentication processes and APIs comply with PSD2 requirements and can match the production APIs whether they use OBP, Berlin Group, STET or UK API standards; The sandbox can be deployed by the bank - but also TPPs can run their own OBP sandbox instances which greatly aids testing and integration options.

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Extending PSD2 APIs

OBP PSD2 Suite provides PSD2-related **metadata** and **fine-grained access APIs** that the bank can use as part of its PSD2-compliance investment:

- 1 **Metadata APIs** help bank enrich payment and account data with metadata including geolocations, comments, pictures, tags to categorise transactions, and the possibility to link data to other sources of open data (Open Corporates ID etc). Standardised metadata APIs are important not only for normalising metadata and running analytics but also for managing and monetizing information for competitive advantage. Eventually, enriched banking data will translate into more analytical capacity for the bank and stronger partnership power towards its ecosystem.
- 2 **Fine-grained access APIs** increase the sophistication of Access to Account APIs and Access to Transaction History APIs enabling the bank to provide to TPPs a fine-grained access to customers' data enabling another set of trusted partners (e.g. auditors or accountants) to access transaction data in real time. Thanks to this set of APIs, the bank will be able to surface and combine transactional data from customer accounts and reveal them via "Views", which can be tailored exactly to provide the minimum level of detail required by each TPP and depending on their "View Permissions". For instance, a business account might provide auditors with full read-only access whilst co-workers might only see the account balance.

Beyond PSD2 to Open Banking

Banks will have to go beyond PSD2 to realise the full potential of their API investment. Some of the opportunities are:

- 1 Banks can **partner with Fintechs** and third party providers to reach new customer markets through APIs embedded into those third party products and services (B2B2C);
- 2 Banks can also themselves become **payments and information service providers** and thus leverage the API-channel to create new digital products;
- 3 Banks can provide additional non-PSD2 premium APIs, such as APIs for KYC, onboarding and card management, and may monetise other key bank assets.

Banks adopting a platform business model can create an ecosystem of payments providers and account aggregators that attracts new customers and creates new product opportunities.

Tesobe helps in this journey, whether by providing a standard and interoperable set of APIs, by advising which APIs to design and open up, by providing technology to operate these APIs or by connecting banks with a global community of third-party fintech providers.

About TESOBÉ

TESOBÉ is the Berlin based software company behind the Open Bank Project, the leading open source API and App store for banks that empowers financial institutions to securely and rapidly enhance their digital offerings. TESOBÉ assists banks in executing effective API strategies by providing a proven API technology platform supported by an active community of developers and partners.