

DEVELOPING AN OPEN BANKING FRAMEWORK FOR SRI LANKA



The Central Bank of Sri Lanka (CBSL) is assessing the possibility of introducing an Open Banking Framework for Sri Lanka in order to improve access to financial services as well as drive Financial Technology (FinTech) innovations in Sri Lanka. An Open Banking Framework would provide a governance structure to facilitate customer-consent based online sharing of financial data with financial service providers using Open Application Programming Interfaces (APIs). Further, it is expected that an Open Banking Framework would enable an advanced way of banking in a secure manner that may also strengthen the relationship between banks, providers of financial services, FinTechs and customers, resulting in more innovative financial products and services.

What is Open Banking ?

Open Banking is the process of customers giving consent to third-party service providers to access their financial data held in financial institutions in order to obtain value-added services. It uses Internet-based technology, namely Open APIs to enable third parties including FinTech companies to connect with banks or other financial institutions. Open Banking enables customers to share pre-determined financial and customer data in a secure environment with third parties that provide innovative financial services.

Why Open Banking in Sri Lanka?

It is expected that an Open Banking framework in Sri Lanka would increase competition, financial inclusion, enable innovations in financial and other related services as well as enable the public to better manage their finances. There is an increasing international trend towards open banking in the world. Countries such as UK, members of the European Union, Japan, Hong Kong and Australia have been moving towards introducing open banking due to the benefits that they provide customers.

Developing an Open Banking Framework for Sri Lanka

Developing an Open Banking Framework requires consideration of regulatory, technological, customer protection and business aspects relating to relevant stakeholders as well as the public. To ensure that it will be beneficial for all customers, banks and other service providers, CBSL is adopting a participatory approach to engage the public, including relevant stakeholders in order to identify market requirements.

Accordingly, CBSL invites all relevant stakeholders at entrepreneurial, academic, investor, government, non-governmental and multi-lateral agency levels, as well as banks, non-bank financial institutions, payment service providers, FinTechs, experts in Information Technology, to share their knowledge and experience in the format provided at <https://www.cbsl.gov.lk/en/press/media/notices>

Please email the completed forms together with any supporting information to openbanking@cbsl.lk on or before 3 April 2020.

When determining the Open Banking Framework, the Central Bank will consider the responses received and may contact any responding party if any clarification is required. The Central Bank reserves itself the right to determine the Framework without assigning any reasons thereof, and the Central Bank's decision will be final in this regard.

For any clarifications please contact the Payments and Settlements Department, CBSL, on 011-2477542 between 8.30 am and 4.00 pm during working days or by email to the above mentioned address.

An initiative by the
PAYMENTS & SETTLEMENTS DEPARTMENT
CENTRAL BANK OF SRI LANKA



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Guidelines for Public consultation

The Central Bank of Sri Lanka (CBSL) is in the process of assessing the possibility of introducing of an Open Banking Framework for Sri Lanka. To ensure that it will be beneficial for all customers, banks and other service providers, CBSL is adopting a participatory approach to engage stakeholders in order to identify market requirements for open banking in Sri Lanka. Therefore, interested and knowledgeable parties are invited to share their views on regulatory, technological, customer protection and business aspects of open banking that may be important to consider when developing an open banking framework for Sri Lanka

1. Request for feedback and comments

Interested parties are invited to provide their views to the Central Bank of Sri Lanka (CBSL) by 3 April 2020

Confidentiality

Information contained in formal submissions may be made available to the public on the CBSL website. Names and affiliations will be included unless parties specifically request to be anonymised at the time of submission.

Further discussion

This public consultation aims to reach a wide group of representatives from the banking, consumer interest groups, Financial Technology (FinTech) sectors and other interested parties. Therefore, CBSL may invite responding parties for further discussions if it is deemed necessary.

Closing date for submissions: 3 April 2020

All submission must be made via email to openbanking@cbsl.lk

2. Guideline to submit public views:

Please include the following in your submission:

Name	
Designation/ Occupation	
Affiliated institution/ Company (please specify if there is no affiliation)	
Contact details: Address: Phone number(s): Email:	

Academic and Professional experience (provide a brief description of your educational and profession qualifications and experience)	
Reasons why you are interested in responding to this open banking initiative	
Local and International experience in open banking/ API initiatives (e.g. participation or contributing Open Banking/API consultations, developing solutions/products based on Open Banking Frameworks)	

3. Views on Open Banking

You may provide your views in a suitable format. The following aspects are highlighted for specific consideration.

- 3.1. Data sharing
 - 3.1.1. What data should be shared, between whom and how?
 - 3.1.2. How should data be shared?
 Specifications and rules (legal, technological etc) to govern the data transfer process in order to provide appropriate protections for customers, whilst being flexible enough to accommodate future technological innovation
- 3.2. Data privacy and data protection
- 3.3. Regulatory framework is needed to give effect to and administer the regime
- 3.4. Implementation – timelines, technological aspects, roadmap, costs