European Framework for Financial Data Access (FIDA)

Executive summary

In June 2023, the European Commission (EC) presented a legislative proposal for a regulation on a framework for financial data access (FIDA)

Context

- In 2015, with the second Payment Services Directive (PSD2), it was introduced the **Open Banking** in the EU.
- On **June 2023** the EC published a package that revises PSD2 (PSD3) and that introduces a new Regulation on a Framework for Financial Data Access (FIDA) which goes a step further and introduces 'Open Finance' by enlarging the scope of data that customers may allow to share and open the door to new types of services and business models in the financial industry. All financial institutions are subject to FIDA.

Next steps

- This proposal shall be accepted by the European Parliament (EP) and the Council.
- The Proposal will enter into force on the twentieth day after its publication in the Official Journal of the European Union (OJEU), following its application **24 months** after the entry into force. However, articles related to financial data sharing schemes, application for authorization of financial information service providers and legal representatives will apply **18 months** after the entry into force.

Relevance of this regulation

- This framework, in practice, this will lead to **more innovative financial products and services** for users and will stimulate competition in the financial sector.

Main content

Data access	Financial data sharing schemes
Responsible data use	Eligibility for data access and organization

Access to Document

The EU is seeking to create a single market for data, therefore, in recent years various sectoral regulations have been adopted to facilitate this single market

	PSD3/PSR	FIDA ⭐(1)	Digital Markets Act (DMA)
Classification	**Open payments**	**Open finance**	**Open data**
Data	This Directive lays down rules concerning: • **Access** to the activity of **providing payment services and electronic money services**, within the Union, by payment institutions • **Supervisory powers** and tools for the supervision of payment institutions	This Regulation applies to the following **categories of customer data**: • mortgage credit agreements, loans and accounts, except payment accounts including data on balance, conditions and transactions; • savings, investments in financial instruments, insurance-based investment products, crypto-assets, real estate and other related **financial assets** • **pension rights** in occupational pension schemes and on the provision of pan-European personal pension products; • **non-life insurance products**, with the exception of sickness and health insurance products; • data which forms part of a **creditworthiness assessment** of a firm which is collected as part of a loan application process or a request for a credit rating	Data generated by the use of the platform, always with the prior consent of the user
Data holders	Account servicing payment services provider (ASPSP)	Credit institutions; payment institutions; electronic money institutions; investment firms; crypto-asset service providers; issuers of asset-referenced tokens; managers of alternative investment funds; management companies of undertakings for collective investment in transferable securities; insurance and reinsurance undertakings; insurance intermediaries and ancillary insurance intermediaries; institutions for occupational retirement provision; credit rating agencies; crowdfunding service providers; pan-European Personal Pension Product (PEPP) providers	**Gatekeepers** that offer or provide core platform services (the only ones are: Alphabet, Amazon, Apple, Byte Dance, Meta Platforms, Microsoft Corporation)
Data users	Third Payments Service Providers (TPSPs)	Financial Information Service Providers (FISPs) and data holders	**Service providers in the digital sector** where gatekeepers are placed

(1) Focus on this presentation

This proposal seeks to establish a framework governing access to and use of customer data in finance

Data access

The data holder shall, upon request from a customer submitted by electronic means, **make the data within the scope of this regulation** (e.g., mortgage credit agreements, loans and accounts data) **available to the customer without undue delay, free of charge, continuously and in real-time.**

The customer has the right to **request that the data holder shares this data with a data user**. Data should be used only for the purposes and the conditions agreed with the customer.

A data holder **may claim compensation from a data user for making customer data available** only if the customer data is made available to a data user in accordance with the rules and modalities of a financial data sharing scheme.

A data user shall only be eligible to access customer data if **that data user is a financial institution or has been authorized as a Financial Information Service Provider**.

A customer may **withdraw the permission** it has granted to a data user.

Responsible data use

A data holder shall provide the customer with a **permission dashboard** to **monitor and manage the permissions** a customer has provided to data users.

The data holder shall ensure that the permission dashboard is **easy to find in its user interface** and that **information** displayed on the dashboard **is clear, accurate and easily understandable** for the customer.

The data holder and the data user for which permission has been granted by a customer shall **cooperate to make information available** to the customer via the dashboard in real-time.

This proposal seeks to establish a framework governing access to and use of customer data in finance

Financial data sharing schemes

Within **18 months** from the entry **into force** of this Regulation, data holders, data users and customer associations and organisations shall become **members of a financial data sharing scheme** governing access to the customer data, and they may become **members of more than one** financial data sharing schemes.

The financial data sharing schemes shall include among others; i) the members; ii) the rules applicable; iii) the membership rules; iv) a mechanism through which its rules can be amended; v) rules on transparency.

In the event that a financial data sharing scheme is **not developed** for one or more categories of customer data and there is no realistic prospect of such a scheme being set up within a reasonable amount of time, **the Commission is empowered to adopt a delegated act** to supplement this Regulation by specifying the modalities under which a data holder shall make available customer data.

Eligibility for data access and organization

A financial information service provider shall be **eligible to access customer data if it is authorised by the CA** of a Member State and shall submit an application for authorisation to the CA, including among others:

i) a programme of operations setting out in particular **the type of access** to data envisaged;

ii) a business plan including **a forecast budget calculation for the first 3 financial years** which demonstrates that the applicant is able to employ the appropriate and proportionate systems, resources and procedures to operate soundly.

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