



PRIVACY CONSIDERATIONS IN OPEN BANKING AND OPEN FINANCE

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Background to [OECD report](#)

- Building on the 2022 workshop “[Data Portability in Open Banking: Privacy and Other Cross-cutting Issues](#)”
- Open Banking / Open Finance can be part of wider data strategies
 - ✓ Empowering customers on their data
 - ✓ De-monopolising data
- Enhanced personalisation to improve financial services and products

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**DATA PORTABILITY IN
OPEN BANKING**
PRIVACY AND OTHER CROSS-
CUTTING ISSUES

OECD DIGITAL ECONOMY
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Data privacy as a major consideration

- Increase in volume and cross-referencing of data shared among more entities:
 - enriched payment data
 - checks against frauds
- Special categories of personal data
- Resulting issues:
 - harm to individuals and organisations;
 - hinder OF implementation;
 - tension between different legal obligations





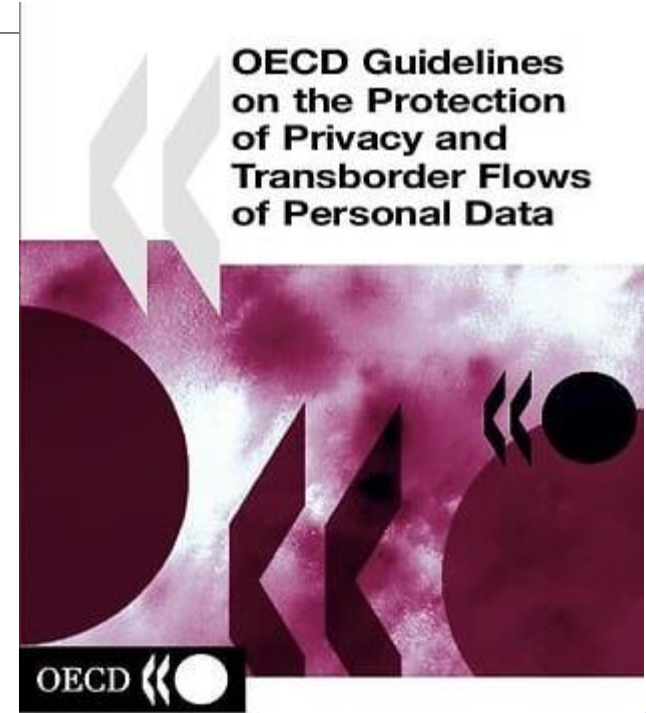
Building trust: data protection and liability frameworks

- Awareness of customers' rights to build trust
- Liability frameworks:
 - need be consistent with data protection regimes and contractual arrangements
 - include complaint handling, redress and dispute resolution
 - could be attributed to entities directly interacting with consumers
 - are currently fragmented



Data protection to build trust

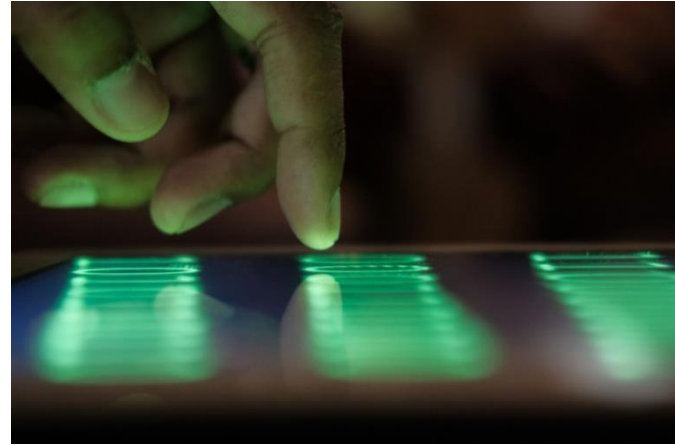
- Clarify roles and responsibilities
- Core principles:
 - Purpose limitation
 - Privacy by design and by default
 - Accountability
 - Data security





Interplay between data sharing frameworks and data protection regulations

- Complementarities
- Similarities
- Convergence
- New/extended safeguards
- Cross-border aspects
- Cross-sectoral regulatory cooperation





Consent and data subjects' rights

- Consent to allow for the reuse of data
- Informed consent
- Consent management and data dashboards
- Right to receive information
- Right to object



Data portability

- “Ability of users to request that a data holder transfer, to them or to a third party, data about them in a structured, commonly used and machine-readable format”
- Forerunner to OF?
- Infrastructure and control features for implementation





Policy considerations



Build trust

- Introducing **data privacy safeguards**
- Enhancing **data security**
- Establishing clear **liability rules**

— Other related OECD work: the [Data Free Flow with Trust Experts Community](#)



Support the work programmes of the Digital Policy Committee (DPC) and the WP on Data Governance and Privacy (WPDGP) through **multi-stakeholder projects**



Provide inputs to analytical work by DPC and WPDGP, including issues cutting across sectors or policy domains



Identify new trends or issues for consideration related to the broader DFFT agenda

— Project: Cross-border payments and data flows

OECD on-going co-operation with the Financial Stability Board (FSB) on the G20 Roadmap for enhancing cross-border payments

Transferring data across borders is essential for payments but this objective is hindered by the lack of consistency across the multiplicity of relevant data frameworks

The FSB is building on its stocktake and developing recommendations for promoting alignment and interoperability across data frameworks applicable to cross-border payments, with OECD and other relevant IOs



— Project: Cross-border payments and data flows

Fragmentation among data framework requirements and their implementation, notably across the data needed to accompany a cross-border payment transaction

Uncertainty among payment providers on how to balance the various obligations under different data frameworks (e.g. AML/CFT data requirements and data protection rules)

“Work is needed to optimise the interaction between data governance and cross-border payments frameworks, to mitigate possible frictions while protecting all regulatory objectives”

Challenges arising from restrictions on the flow of data across borders (data localisation)

Frictions may also make innovation in the payment system more challenging

— Project: Cross-border payments and data flows

Open finance policy considerations

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MOVING FORWARD ON DATA FREE FLOW WITH TRUST

NEW EVIDENCE AND ANALYSIS OF
BUSINESS EXPERIENCES

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Building on previous OECD work on [open banking](#), [open finance](#) and the “Moving Forward with DFFT” [report](#)

Interviews with payment ecosystem operators, participants, and relevant stakeholders to better understand the data ecosystem in cross-border payments

Preliminary work to map laws and regulations governing payment-related data flows



Thank you!

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<https://www.oecd.org/digital/privacy/>