



TEMENOS
THE BANKING SOFTWARE COMPANY

Temenos support for PSD2 and Open Banking Initiatives





The concept of Open Banking has been accelerated by the European-led Payments Services Directive (PSD2), which enables regulated Third Party Providers (TPPs) access to customer's bank accounts via secure APIs.

While PSD2 is a European directive, it has implications beyond Europe and is driving global Open Banking requirements, meaning its impact is being replicated globally within other international law.

The increasing scope and competition in the banking ecosystem that open banking enables have led to both new opportunities and new challenges for financial institutions.

Designed to meet the new requirements around a more **open** banking market, Temenos' PSD2 features for Transact and Infinity assist financial institutions for the second Payment Services Directive.

We assist our clients to adapt to the changes and challenges this transformation of the banking market brings and help financial institutions on their journey to PSD2 compliance.

How we Address your Goals and Challenges?



Temenos Transact supports financial institutions across the world with Open Banking compliance.

Using our PSD2 consent management framework, you will be able to give your customers full control of the data they share and the accounts they provide external access to TPPs.

We provide support to enable your customers to initiate payments securely via regulated PISPs.

Our out-of-the-box APIs support a number of global API Guidelines allowing AISP and PISP requests from third-party providers to be fulfilled in a secure and consistent manner.

As part of the Transact Regulatory suite of products, Temenos PSD2 modules provides financial institutions with a comprehensive solution to help firms meet their compliance obligations under PSD2.



Temenos Infinity provides banks to enable their digital banking solutions with the ability to aggregate accounts, balance and transactions from third party banks using standard open banking APIs from connection providers.

Open Banking is as much about the establishment of an improved IT architecture as it is about structural change across the banking industry. PSD2 in Europe has become a catalyst causing the reassessment of the industry's perception, understanding and willingness to embrace Open Banking.

In aid of this new open framework, our solution assists with Account Information and Payment Initiation requests from regulated TPPs.

What Our Solution Covers

Temenos Transact modules for Open Banking assists with API requests from regulated TPPs. Our Open Banking functionality encompasses the following:

Berlin Group (an API implementation guideline used widely across the EU)

- Account Information requests
- Payment Initiation requests
- Funds Confirmation

UK Open Banking standard

- Account Information requests
- Payment Initiation requests
- Funds Confirmation requests

Australian CDR API Support

- Product Catalogue information
- Future support for Account and Party information

Temenos utilizes PSD2 specific workflows to ensure sufficient authorizations are met, enabling secure communication with only regulated entities.

The Regulatory Technical Standards (RTS) highlights the need for both SCA and secure communication, in sight of this, Temenos provides the capabilities to support the RTS.

Temenos Infinity enables Open Banking aggregation with API requests to third party banks:

- Consent Management
- Data Storage in Microservices
- Digital apps to guide a user through the processes and viewing aggregated data
- Utilize open banking connection providers for bank to bank API connections.

More information can be found below.



Features -

Support for Transact TPP Requests

Temenos' Open API framework provides brand new enterprise APIs aligned with various published API standards. This includes the following APIs;

- **Account Information:** Get Accounts, Get Account Details, Get Account Balances, Get Transaction History and Get Transaction Detail.
- **Payment Initiation:** Payment Initiation, Get Payment Details and Get Payment Status and Payment Cancellation.
- **Confirmation of Funds**

Our intuitive APIs only accept and respond to requests where relevant permissions are successfully met.



TPP Role Check

Temenos provides a validation capability* which can be used to check a given TPP's role and status for PSD2 related requests. Temenos provides an automated interface with a European Open Banking Directory.



Consent Management and Validation

Temenos provides support for the creation, update and revocation of consent for your customers and the access they provide to TPPs. Temenos can enable data to only be shared where sufficient consent and authorizations have been provided.



Policy Engine

Temenos provides a configurable Policy Engine to support banks with transaction analysis contributing to SCA eligibility requirements under PSD2.



User Experience

Temenos provides PSD2 User Agents to assist with User Experience and enable integration with identity providers for Strong Customer Authentication (SCA) journeys.

Dynamic linking and transaction signing are supported for user confirmation of TPP requests for traceability.



Non-Repudiation and Traceability Microservice

Enhanced security functionality and non-repudiation services to assist with traceability of TPP requests and aid with tamper-evident logging for PSD2 requests.

*Dependant on banks having their own subscription to an Open Banking Directory or NCA. eIDAS/security checks must be handled at the Bank's own API Gateway

Features - Temenos Infinity Account Aggregation

User Experience



Our digital banking solutions provide the user experience to instigate aggregation to third party banks, managing the ongoing consent permissions and also view all third-party bank accounts, balances and transactions



External Aggregation Directory

We store and manage all the available banks that can be aggregated, this microservice-based solution enables the user to search for and select the authorized open banking banks.

Consent Management



The consent provided at the initial connection is stored in our microservice and enables a user to view when consent is expiring and update or revoke consent at any time.



External Aggregation Connection Manager

The connection manager microservice manages all the synchronization of data and connections through the connection provider to the third-party bank. Understanding what accounts have been updated and requesting updates to the third-party bank when required.

Alerts and Notifications



We utilize underlying Infinity functionality to notify customers when the collection of a requested bank's data has been complete.



Connection Providers

To enable tokenized connection to third party banks, using PSD2 and other open banking standards we utilize third party connection providers in the Temenos Marketplace to manage the API connection bank to bank.

Benefits

- ✓ Reduced risks of non-compliance to Open Banking obligations
- ✓ Supports banks with the secure sharing of data under PSD2
- ✓ An integrated PSD2 solution within the core banking system
- ✓ Fully integrated digital channels to support open banking aggregation

Get in touch

To find out more about Temenos support for PSD2 and Open Banking Initiatives, [contact us](#)

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About Temenos

Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

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