

Frequently asked questions

Open Banking

(latest update: September 2020)

1) General information

1 - What is Open Banking?

Open Banking, or Open Financial System is the standardized sharing of data, products and services through the opening and integration of systems, using, for this purpose, a dedicated interface in financial institutions, payment institutions and other institutions authorized to operate by the Central Bank of Brazil (BCB), in a safe, swift and convenient manner.

2 - What data and services will be shared?

Open Banking will be implemented gradually, in phases, for the sharing of the following information and services, as a minimum:

Phase 1 - Data on the participating institutions

- a. Service Channels related to the institutions' offices and branches, domestic correspondents, electronic channels; and other channels available to customers
- b. Products and services related to deposit, savings and pre-paid payment accounts, credit card and retail credit transactions available for contracting.

Phase 2 – Customer data

- a. Registration data (of the customer and its representatives)
- b. Transactional data related to the products and services of Phase 1

Phase 3 - Services

- a. Payment initiation transaction (debit to account, book transfers, Transferência Eletrônica Disponível (TED), Documento de Crédito (DOC), instant payments (PIX) and payment slips.
- b. Forwarding loan proposals

Phase 4 - Other data

- a. Products and services related to foreign exchange transactions, acquiring services in payment schemes, investments, insurances and open pension funds.

b. Customer transactions related to payroll accounts, foreign exchange operations, acquiring services in payment scheme investment, insurance and open pension funds.

Important! The details of these data can be accessed in [Circular 4,015](#), of 2020.

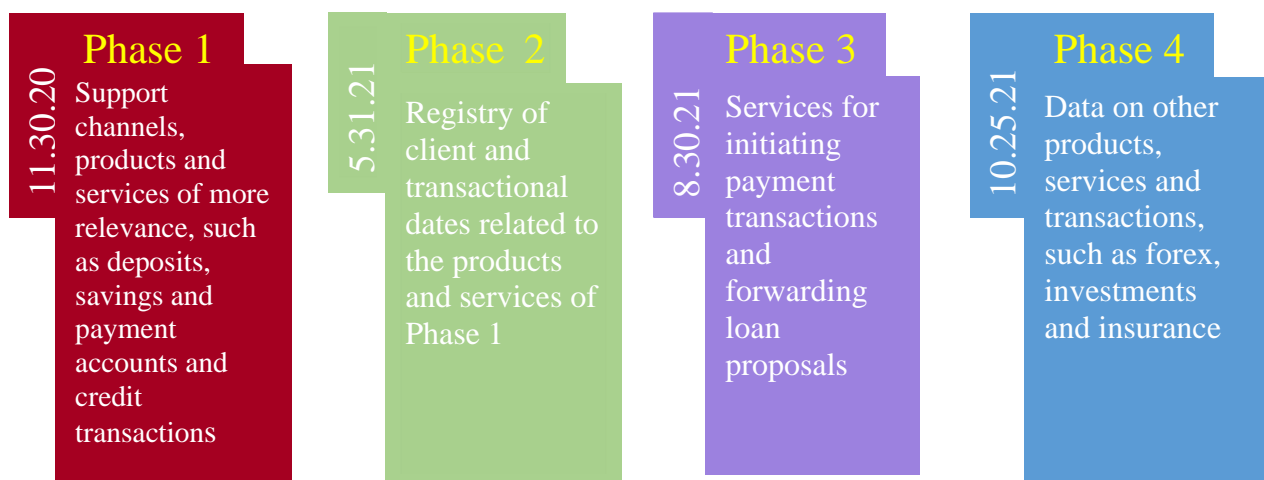
3 - Which institutions can participate in Open Banking?

Only financial institutions and other institutions authorized to operate by the Central Bank of Brazil can participate in Open Banking. Within this universe of institutions, however, the regulation provides for mandatory and voluntary participants, depending on the data or service being shared. The remaining questions in this Faq give more details on this matter.

Important! Information on products and services and service channels of participating institutions that are part of the data scope of Open Banking must be shared in an open format for public access.

4 - When is Open Banking going to be implemented?

The implementation of Open Banking starts on November 30, 2020 and completion expected until October 25, 2021, as follows:



5 - What rules should be observed by participating institutions?

Participating institutions must comply with the rules issued by the National Monetary Council (CMN) and by the BCB, including (i) requirements for sharing, which cover the steps of consent, authentication and confirmation and (ii) responsibilities for sharing.

In addition, the participating institutions, through the structure responsible for the governance of the implementation process of Open Banking in Brazil, must propose to the Central Bank technological standards, operational procedures and other aspects needed for the implementation of Open Banking

Important! Institutions that make partnerships with entities that are not authorized to operate by the BCB in order to share data from the Open Banking scope must also comply with the regulation issued by the BCB and the CMN, including rules on responsibilities for sharing.

6 - Do the customers of participating institutions have to consent for their data being shared ?

Yes. The sharing of the personal data of customers or services within the scope of Open Banking depends on their prior consent from . Consent must be understood as a free, informed, prior and unequivocal manifestation of will, made by electronic means, whereby the customer agrees with the sharing of data or services for specific purposes.

Important! Phase 1 of Open Banking does not involve the sharing of customers' personal data, so consent is not required at that particular phase.

7 - What are the main benefits expected from Open Banking?

Open Banking will encourage innovation and the emergence of new business models focused on the customer experience, with safety, agility and convenience, favoring financial inclusion and the financial education of the population.

Thus, it is expected that the rationalization of processes and the reduction of information asymmetry will assist in the definition of better credit policies, in the provision of services more suited to the different profiles of customers and segments of society, in the comparison among products and services offered by different institutions and in customers' financial planning.

2) Customer authorization for data sharing

1 - What are the necessary steps for sharing customer's data and Open Banking services?

The participating institutions are only allowed to share data and services of customers who have requested such sharing after the following steps:

1 - Consent;

2- Authentication; and

3- Confirmation.

These steps must be carried out exclusively through electronic channels and must be executed with safety, swiftness, precision and convenience, in a successive and uninterrupted manner, with a duration compatible with their objectives and level of complexity.

Important! During all these steps, the participating institutions must ensure the provision of information to the clients in a clear, objective and adequate manner regarding the contents and the procedures associated with each step, as well as the rerouting to other environments or electronic systems, including to other institutions, when applicable.

2 – To which institution should the customer request the sharing of data and services?

The customer should request the sharing to the data recipient institution or - payment initiation service provider. This institution must ensure the provision of information to customers in a clear, objective and adequate manner upon identification of the client and obtain his consent for the specified purposes.

Important! Participating institutions involved in sharing data or services must ensure that it is possible to revoke the respective consents at any time.

3 - What are the requirements for consent?

In addition to referring to specific purposes, the consent given by the customer to the - data recipient institution or payment initiation service provider must:

- include the customer's identification;
- be requested by the institution in clear, objective and appropriate language;
- have a term compatible with the purposes of the consent, limited to 12 months;
- list the - data transmitting institution or the account service provider, as the case may be; and
- list the data or services to be shared, subject to the possibility of grouping.

Important! If the purposes or the data or services to be shared are changed, a renewal of the customer's consent will be required.

4 - What are the specific consent requirements for payment initiation?

In addition to the requirements of the previous question, consent to the payment initiation service provider should include, at least, the following information:

- Payment method;
- Payment transaction amount;
- Information regarding the payee; and
- Date of payment.

Important! In the case of successive payment transactions, the customer, at his discretion, may define a period over 12 months for the validity of the consent, and must be able to condition the validity period to the termination of those transactions.

5 - What forms of consent are not allowed?

The data recipient institution or the payment initiation service provider cannot obtain consent:

- through an adhesion contract;
- by means of a form with an option of acceptance previously filled in; or
- presumably, without explicit manifestation of will by the customer.

6 - Is the customer allowed to revoke the previous consent? Yes, participating institutions involved in sharing data or services must ensure that the client has the possibility of revoking the respective consent, at any time, through a safe, swift, accurate and convenient procedure.

This revocation must be carried out based on the following deadlines:

- within one day, counted from the customer's request, in the case of the initiation of a payment transaction; or
- immediately, in all other cases.

Important! - Data recipient institutions or payment initiation service providers must provide the customer with the option of revoking consent, at least through the same support channel in which it was granted, if it still exists.

Data recipient institutions or account service providers are not allowed to propose to the customer to revoke his consent, except in case of justified suspicion of fraud.

7 - Can the customer consult the valid consents?

Yes. The customer can request the participating institutions involved in the sharing of data or services for information about the consents he has provided and that are still valid. In such cases, institutions must inform:

- the participating institutions involved in sharing;
- the data and services being shared;
- the period of validity of the consent;
- the date of the request of the consent; and
- the purpose of the consent, in the case of an data recipient institutions or a payment initiation service provider.

8 - What are the essential requirements for authentication?

The data transmitting institution or the account service provider must adopt procedures and controls for the authentication of:

- the customer, only once for each consent; and
- the data recipient institution or the payment initiation service provider, only once for each interface call.

Important! The procedures and controls for customers authentication must be compatible with those used by them to access the electronic access channels made available by the institution, taking into account the level of risk, the type of data or service being shared and the support channel. This compatibility includes the authentication factors, the number of steps and the duration of the procedure.

9 - Why limit client authentication to only once for each consent?

The objective here is to avoid needless procedures that might make the authorization by the client for sharing more difficult or that might create barriers to service sharing between participating institutions.

10 - What are the essential requirements for confirmation?

The data recipient institution or the account service provider must request confirmation for sharing from the customer, ensuring the possibility of specifying the contents of the information to be shared.

Important! Confirmation must occur simultaneously with the authentication procedures.

11 - What information should be listed in the confirmation step?

In the case of sharing registry and transaction data, at least the following information must be included in the confirmation:

- Identification of the data recipient institution;
- Period of validity of the consent; and
- Data that will be shared.

In the case of sharing the payment initiation service, at least the following information must be included in the confirmation:

- Payment transaction amount;
- Information regarding the payee;
- Date of payment; and
- Transaction frequency and duration, in the case of successive payment transactions.

3) Participating institutions

1 - Which institutions will necessarily be part of Open Banking?

There are three cases of data and service sharing within the scope of Open Banking for which the current regulation provides mandatory participants, namely:

- In the case of data sharing:
 - the institutions included in Segments 1 (S1) and 2 (S2), as provided by [Resolution 4,553](#), of 2017, except for institutions that are part of prudential conglomerates that do not provide services related to transactional data of customers within the scope of Open banking.
- In the case of sharing the service of initiating payment transactions:
 - institutions that maintain a customer's deposit, savings or pre-paid payment account; and payment initiation service providers.
- In the case of sharing the service of forwarding loan proposals.:
 - regulated institutions that have in place domestic partnership agreements to receive and forward, by electronic means, loan proposals.

Important! Sharing data and services between the participating institutions in each of the cases listed above is mandatory, upon the customer's prior consent, **without the need for signing a contract.**

2 - Which institutions may voluntarily be part of the Open Banking ecosystem?

All other financial and payment institutions authorized to operate by the Central Bank of Brazil, as long as they provide, as a data transmitting institution, dedicated interfaces for data sharing and register their participation in the participant repository to be proposed by the structure responsible for the governance of the Open Banking implementation process, may be a part of the Open Banking ecosystem for data sharing.

3 –How are the participating institutions in the sharing of data and services in the context of the Open Banking ecosystem denominated by the regulation in place?

The institutions participating in the Open Banking ecosystem are, depending on the type of data or service being shared, denominated as follows in the current regulations on the subject:

- Data transmitter: participating institution that shares the data of the Open Banking ecosystem with a recipient institution;
- Data recipient: participating institution that submits a request for data sharing to the data transmitting institution to receive data from the Open Banking ecosystem;
- Account provider: participating institution that maintains a customer's deposit, savings or pre-paid payment account and

- Payment initiation service provider: participating institution that provides a payment initiation service without holding, at any moment, the funds that were transferred while rendering the service.

4 - Are institutions not authorized by the Central Bank allowed to be a part of Open Banking?

No. However, there is the possibility of non-regulated entities entering into partnership agreements with institutions licensed to operate by the Central Bank of Brazil, including those located abroad, for the sharing data of customers who are common to both institutions and who expressly consent in advance to such sharing. These partnerships are associated with the business strategies of the institutions, and the Director of the licensed institution responsible for the sharing within the scope of Open Banking must issue a favorable statement on this partnership, prior to its formalization.

Important! The establishment of partnership agreements between institutions licensed by the Central Bank of Brazil or in which the partner acts on behalf of the contracting institution for the purpose of sharing is prohibited.

5 – What is the data sharing between participating institutions going to be like?

Participating institutions must provide interfaces (APIs) dedicated to data and service sharing, according to the rules and standards that may be prescribed by regulations, after evaluation of the proposals submitted by the participating institutions, through the structure responsible for the governance of the implementation process of Open Banking in Brazil. These data and services must be presented in digital media and machine-processable, in a format that is free of restrictions regarding their use.

6 - How will the expenses resulting from the sharing of data and services between the participating institutions be managed?

[Joint Resolution 1](#) of 2020 allows, in its article 42, the reimbursement of expenses between participating institutions resulting from the sharing of data and services. However, equal treatment and non-discriminatory access by participating institutions are required. Limits of interface calls per customer and reimbursement values may be established in future regulation, after proposals submitted by the participating institutions through the structure responsible for the governance of the implementation process of Open Banking in Brazil.

In addition, regulation establishes that there must be no charges, between participating institutions, in the following cases:

- sharing information about participating institutions: access channels and products and services provided;
- payment initiation service;
- up to 2 interface calls per month, per participating institution, per client and by method signature, in the case of sharing customer's registry; and
- up to 120 interface calls per month, per participating institution and per customer, in the case of sharing customer's transactional data .

Important! It is not allowed to charge customers for data sharing. It is only possible to charge fees for the provision of services in accordance with the current regulation in place, including [Resolution 3,919](#), of 2020.

7 – With Open Banking, new institutions may emerge to offer a variety of products and other specific services. How is the Central Bank of Brazil going to act in these cases?

In order to promote new business models, while trying to maintain the security of the model, the Central Bank of Brazil may consider regulating new institutions, in accordance with its legal competence. The main objective of Open Banking pursued by the Central Bank of Brazil will always be the increase of the competitiveness and efficiency of the SFN (National Financial System), resulting in better services and lower costs for financial consumers.

4) Security of shared personal data

1 - How will the security of client data and services be ensured in the sharing process?

The institutions are responsible for the quality of data (with information that is as recent as possible, adequate and compatible) and for the safety of its sharing. In this context, in addition to the attached responsibilities established by the Open Banking regulation, such as the existence of mechanisms to monitor and control the sharing process, as well as of specific rules for the accountability of the institution and its managers, participating institutions must observe other requirements provided in current legislation and regulation in order to ensure the security and reliability of the sharing process, as in the case of the rules related to the implementation of cybersecurity policy.

2 - Who is responsible for the security of the shared data and services?

The participating institutions are responsible for the reliability, integrity, availability, security and confidentiality of the data and services of customers in the sharing process. They are also responsible for complying with the provisions of the legislation and regulations in force.

3 - Is Open Banking governed by the provisions of Brazil's Data Protection Law (LGPD)?

The Open Banking model is based on the assumptions that the customer owns his personal data, has the right to request the sharing of that data with other parties and that its treatment must take place only for specified purposes, previously agreed. These concepts have also guided the provisions of the LGPD.

Open Banking only deals with the standardization for data sharing, and does not regulate the treatment given to such data by the data recipient institution after the sharing process, which must comply with current legislation, such as the Banking Secrecy Law and the LGPD itself, as soon as it is in force. In addition, Open Banking covers the sharing of data of customers, natural and legal persons, while the LGPD only regulates the processing of data of natural persons.

5) Governance of the Open Banking implementation process

1 - What are the technological standards of the dedicated interfaces that will share data and services within the scope of Open Banking?

The Open Banking model in place establishes that the participating institutions, through the structure responsible for the governance of the implementation process, shall submit to the BCB proposals for technical standards, operating procedures and other aspects needed to implement Open Banking, including with respect to the implementation of interfaces dedicated to the sharing of data and services within its scope, observing the rules, guidelines, principles and objectives defined by Open Banking's introductory regulation.

The Central Bank, in return, will incorporate the content of these proposals, partly or in their totality, into the specific regulation under its responsibility, as appropriate, or will propose its incorporation into the regulation under the competence of the National Monetary Council.

2 - Is the Central Bank of Brazil coordinating any technical group for the definition of the technological standards of Open Banking?

No working group has been established or placed under the coordination of this authority to discuss technological standards related to Open Banking's implementation and, consequently, the discussions on the subject are currently being conducted within the structure responsible for the governance of the implementation of Open Banking in Brazil, which has been formalized by national level representative associations elected to appoint representatives for the deliberative council of this structure, according to [Communiqué nº 35.895](#), of 2020. In particular, the participation in these working groups is not limited to representatives of associations or groups of associations that appoint representatives for the deliberative council but may also include other natural and legal persons.

Regulatory basis

[Circular 4015](#), 2020

[Circular 4,032](#), 2020

[Communiqué 35,895](#), of 2020

[Joint Resolution 1](#) of 2020



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