



BANCO CENTRAL DO BRASIL

COMMUNIQUE 33,455 OF APRIL 24, 2019

Discloses the fundamental requirements for the implementation of open banking in Brazil.

The Board of Governors of the Central Bank of Brazil, following its meeting held on April 23, 2019, approved the disclosure of the fundamental requirements for the implementation of open banking in Brazil, which encompasses the objective, the definition, the scope of the model, the regulatory strategy and the actions for its implementation.

2. This initiative's objective is to enhance the efficiency in credit and payments markets in Brazil by promoting a more inclusive and competitive business environment, while preserving the security of the financial system and ensuring the consumers' protection.

3. The topic of open banking has been emphasized worldwide in the context of the financial markets' innovations. Regulators in some jurisdictions have identified the need for regulatory intervention in order to ensure the achievement of their specific objectives. In this context, the Central Bank of Brazil has been following the international debate as well as local initiatives. In addition, this discussion becomes more relevant with the edition of Law 13,709 of August 14, 2018, which provides for the protection of personal data in Brazil.

4. Open banking, according to the Central Bank of Brazil, is defined as the sharing of data, products and services by financial institutions and other licensed institutions, at the customers' discretion as far as their own data is concerned, through the opening and integration of platforms and infrastructures of information systems, in a safe, agile and convenient manner.

5. The scope of the model envisaged for Brazil should include financial institutions, payment institutions and other institutions licensed by the Central Bank of Brazil, including, at a minimum, the following data, products and services:

- I - data on products and services offered by participating institutions (location of branches and other access channels, product characteristics, contractual terms and conditions, financial costs, among others);
- II - customer personal data (name, filiation, address, among others);
- III - customer transactional data (data related to deposit accounts, credit operations and other products and services contracted by customers, among others); and
- IV - payment services (initialization of payments, transfers of funds, payments of products and services, among others).

6. The sharing of customer personal and transactional data as well as the execution of payment services are subject to customer's prior consent. Procedures to obtain such consent should aim to promote a simple, efficient and safe customer experience. Furthermore, regulation may include other minimum data, products and services in the scope mentioned in the previous paragraph.



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7. Concerning the implementation process of open banking, the issuance of regulation as well as self-regulation initiatives are expected. As for the regulation, the Central Bank of Brazil expects to submit the drafts for public consultation in the second half of 2019, which should propose the definitions, among other aspects, of the scope, responsibilities, minimum operational requirements, internal controls, risk management and minimum contractual conditions for the relationship that may be established between licensed institutions and non-licensed third parties, as well as the implementation schedule.

8. In regard to self-regulation, the expectation is that participating entities will themselves agree on technology standards, operational procedures, safety standards and certificates and the implementation of interfaces, all in accordance with the regulation in place.

9. In order to ensure compliance with the regulation, as well as the achievement of the proposed objectives for the model, the non-discriminatory access and the representativeness of the participating segments, the Central Bank of Brazil may coordinate the initial self-regulatory efforts, approve decisions and revisions, as well as exercising the veto power, imposing restrictions or regulating nonagreed aspects.

10. The model will be implemented in phases established in the schedule, observing the sequence of the scope of data, products and services presented in items I to IV mentioned in paragraph 5 of this Communiqué.

11. On the subject of data sharing, institutions licensed by the Central Bank of Brazil that choose to participate in open banking should share the data described in paragraph 5 with other participating institutions. At first, the institutions that are part of prudential conglomerates under Segments 1 and 2 (S1 and S2) will be obliged to participate. Subsequently, this obligation may be extended to other institutions, at the discretion of the Central Bank of Brazil.

12. With respect to the payment services described in item IV, paragraph 5, the schedule shall provide for simultaneous implementation by all licensed institutions that provide payment services.

13. In order to broaden the scope of open banking and maintain the safety of the model, the Central Bank of Brazil may evaluate the regulation of new institutions, observed its legal competence.

14. Finally, based on the requirements presented in this Communiqué, the open banking model is expected to be implemented as of the second half of 2020.

Otávio Ribeiro Damaso
Deputy Governor for Regulation

This Communiqué represents our best effort to provide an English version of the official Communiqué in Portuguese. In case of any inconsistency, the original version in Portuguese prevails.