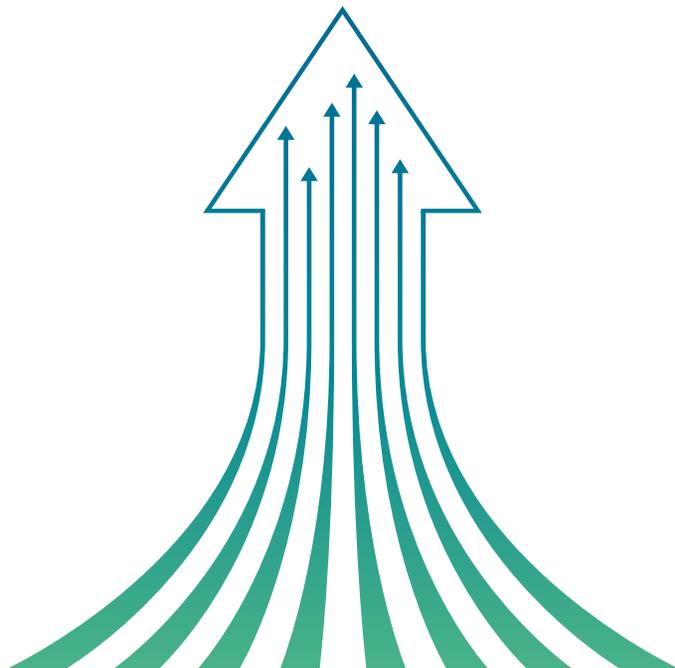




The Industry Standard for Consumer
Access to Financial Data

ORGANIZATION OVERVIEW



1. Executive Summary

The goal of Financial Data Exchange (FDX) is to unify the financial industry around a common, interoperable standard for secure exchange of financial data.

“Further coordination among all of the stakeholders in [data sharing] – financial institutions, data aggregators, fintech providers, regulators and consumers themselves – will be critical to achieving a secure, inclusive and innovative financial data-sharing ecosystem that supports consumer financial health.”

–*Center for Financial Services Innovation (CFSI) - Consumer Data Sharing Principles: A Framework for Industry-Wide Collaboration, Oct 2016*

Financial Data Exchange is founded by a group of the most innovative companies and engaged individuals in the financial data sharing ecosystem. Collectively the members represent over \$1.523 trillion in market capitalization that include major financial services companies, fintech companies, and major industry groups with active recruitment to further expand ecosystem representation. Our members have held key positions in and participated with industry efforts such as FS-ISAC, OFX Consortium, and others.

FDX marks the formation of the most comprehensive industry ecosystem to address the common challenges of consumer-permissioned data sharing, to facilitate the secure exchange of information, and accelerate innovation while giving consumers greater control of their data.

FDX is a subsidiary of the Financial Services Information Sharing and Analysis Center (FS-ISAC). The new non-profit will implement and oversee this interoperable standard and operating framework, introducing an application programming interface (API) called the FDX API.

Our mission is to unify the financial industry around a common, interoperable, royalty-free standard for secure consumer and business access to their financial data. To do this, we will adopt, reference or define:

- **Standards for financial data sharing**
- **Standards for secure authentication**
- **A certification program and standards**
- **User personas and use cases for financial data sharing**
- **Consumer authentication, consent and permission models**

The FDX Founding Board is creating a new operational entity, a non-profit, non-stock Special Interest Group (SIG) comprised of working groups focused on the goals of the organization, as well as promoting the adoption of the standard and ensuring interoperability. FDX is onboarding broad industry membership to provide input through participation in those working groups, and produce recommendations for approval by the FDX board. Members will be encouraged and expected to adopt and promote the standards released by FDX.

FDX will promote royalty free technology specifications - ensuring greater adoption - for members who pass solution certification requirements as defined by the organization. FDX requires all participants to sign a member-

ship agreement. This agreement establishes fees, membership classes and requires each member to abide by the SIG's Bylaws, Antitrust Guidelines and Intellectual Property Rights Policy.

This overview has been written to provide a basic understanding of why FDX has been formed, its purpose, its unique place in the financial industry, and to provide reasons why your participation is important.

2. The Initiative

“Access to digital financial records is critical. As with your student records or medical records, your financial records tell an important story about you. With health care, for example, if you are able to see your records, it is easier to participate in your care and treatment. You can review what you were told, ask tough questions, and consider other options. You can be a better advocate for yourself. The same can be said for your financial records. This is all about taking control and becoming a more active participant in your own financial life.”

—Richard Cordray, Director of the CFPB, stated on November 17th 2016

Since the first financial institution (FI) started offering consumers (individuals and organizations) access to their financial data via the World Wide Web, an ecosystem has evolved. This ecosystem of FIs, financial data aggregators, and app developers delivers a variety of services that help consumers achieve financial tasks, better manage their finances and improve their financial health.

Consumer now rely on services in financial management, payments, credit decisioning and more. They look to obtain their financial data from their financial services providers in a convenient, secure and reliable manner. In this scenario, the consumer is in control and permissions access to their financial data, so they can realize the myriad benefits provided through these services.

Because consumers have multiple financial accounts and expect regular updates of their information into these services, they permission ongoing access to their financial data. This permission is for the application provider and likely carried out by a data aggregator, which has deep technological expertise in connecting to and collecting financial data from a large number of FIs. Consumers benefit from this ecosystem with an accelerated application process and reduced risk. For consumers, it is too cumbersome and time consuming to personally login to each FI website, download their personal data, and upload or manually enter that data into the many applications they may be using.

In this automated data collection process, consumers have historically provided their login credentials (keys) to the aggregator via a third-party financial app. In most cases, financial apps do not store the keys (forbidden by most current data aggregators), but instead pass these credentials via an API to the aggregator. Aggregators securely store these keys, using them to access the FI website, OFX server, or custom API on behalf of the account owner to collect the data. While the consumer is granting rights to the aggregator to use and store their keys, the current practice creates significant security concerns among FIs.

In October 2016, the Center for Financial Services Innovation (CFSI) created a white paper that recommended all players must come together to create standards for consumer data access. They envisioned the following:

“An inclusive and secure financial data ecosystem is one in which financial institutions, data aggregators and third-party application providers coordinate to provide data to consumers.”

Other industries have successfully created Special Interest Groups to address such industry challenges. The Bluetooth Special Interest Group and the Mortgage Industry Standards and Maintenance Organization (MISMO) are good examples of an industry coming together to successfully create a standard.

3. Our Mission and Objectives

The mission of FDX is to unify the financial industry around a common, interoperable, royalty-free standard for secure consumer and business access to their financial data.

We will accomplish our mission through execution of the following objectives via a Special Interest Group (SIG), a non-profit, non-stock entity as the operational structure for the Initiative:

- **Define Use Case Profiles:** We will define use case profiles describing consumer-permissioned scenarios within the financial data ecosystem. We will adopt principles for data sharing across all use case profiles. Members will be able to qualify their solutions for one or more profiles.
- **Adopt, promote and improve Data Sharing Standards:** We will develop and promote the FDX API specification and brand to ensure financial data is timely, consistent, and accurate. Membership in the SIG will be required to use and/or contribute to the specifications.
- **Adopt promote and improve Secure Authentication Standards:** Consumers should not have to reveal their account login credentials to third parties to share financial data in the applications they choose. We will adopt current authentication standards in the FDX API specification that follows industry best practices with regard to authentication, authorization, data privacy and security.
- **Develop a Certification Program:** We will create a qualification and certification program to ensure common implementation and interoperability. Products must be approved by the SIG through the qualification program prior to being marketed as a compliant product, or getting access to IP rights.
- **Develop Consumer Authentication, Consent and Permission Models:** In all our work, we intend to empower consumers to effectively manage their finances and improve financial health. Within the financial data sharing framework we will promote and adopt consumer protection best practices in authentication, consent and permissioning of financial data.

4. The Special Interest Group

The SIG's mission is to align the industry around a single technology standard and solution qualification program that ensures "out of the box" interoperability. We will accomplish this through a technology organization structure similar to other technology initiatives that have successfully aligned other industries.

The SIG's 4 main activities are:

1. **Publish data and authentication standards, specifications, and best practices for the defined use cases as outlined in section 3 above;**
2. **Evangelize our technology, promote and enable rapid adoption;**
3. **Protect the SIG trademarks and intellectual property while ensuring the specifications remain royalty free;**
4. **Administer the qualification and certification program.**

The SIG is a board-led organization, similar in form and structure of many industry SIGs.

5. Specifications

We will follow guiding principles as published by CFSI in their white paper, published in October 2016 "Consumer Data Sharing Principles: A Framework for Industry-Wide Collaboration". Our goal is to define a data sharing specification that enables an easy to use, secure, and economical way to access financial data in real-time.

The metrics by which we will measure a successful data sharing specification are:

- **Available:** Consumers have the ability to view their financial data within the trusted and secure third-party application of their choice.
- **Reliable:** Consumer financial data access is timely, consistent, accurate and complete.
- **User-permissioned:** Consumers provide explicit consent for access to and use of their data. Consumers can easily view, modify and revoke consent for data sharing.
- **Secure:** All entities follow applicable laws and industry best practices with regard to data privacy and security.

6. Working Groups

In order to create an ecosystem that is representative of multiple voices in the industry, the SIG has created several working groups with participation from member representatives.

- **Technical Standards Working Group:** is tasked the ongoing maintenance and improvement of the FDX API technical specification, along with either adopting or building other technical solutions to promote the objectives of the SIG.
- **Interoperability Working Group:** is tasked to create programs and processes that will certify proper implementation of the standard, ensuring interoperability.

- **Security & Authentication Working Group:** is tasked to design appropriate security and authentication protocols and related matters.
- **Marketing and Government Affairs Working Group:** is responsible for membership, marketing, government outreach, public relations and event planning.
- **Customer Experience Working Group:** is focused on user experience, consent matters and user engagement. The working group will consult with consumers and consumer organizations as deemed appropriate.

7. Comparison with Other Industry Forums

Our mission and approach to ecosystem creation is unique to any existing financial industry forum. With our focus on creating an interoperable ecosystem by financial use-case, we expect to adopt or extend existing standards and innovate new ones to accomplish our objectives.

The below tables outline current technology initiatives and thought leadership we plan to adopt or extend, as well as outlines the focus and mission of each group.

Technology Initiatives

Group	Focus	Mission
Financial Data Exchange	Financial Data Sharing Standard and Certification	The mission of FDX is to unify the financial industry around a common, interoperable, royalty-free standard for secure consumer and business access to their financial data.
Open Financial Exchange (OFX)	Financial Data API Specifications and Schema	Open Financial Exchange is an open standard for client-server systems and cloud based APIs for exchanging financial data, and performing financial transactions between financial institutions, and financial applications.
Financial Services Information Sharing and Analysis Center (FS-ISAC)	Critical Security Threats	The industry forum for collaboration on critical security threats facing the global financial services sector. Also created the Durable Data API - now the FDX API, a contemporary specification for financial data access.
OAuth	Secure Authorization	The industry-standard protocol to allow secure authorization of one site to access and use information related to the user's account on another site.
Open ID	Federated Authentication	OpenID allows you to use an existing account to sign in to multiple websites, without needing to create new passwords.

Thought Leadership

Group	Focus	Mission
Financial Data Exchange	Financial Data Sharing Standard and Certification	The mission of FDX is to unify the financial industry around a common, interoperable, royalty-free standard for secure consumer and business access to their financial data.
Center for Financial Services Innovation (CFSI)	Consumer Financial Health	CFSI is the authority on consumer financial health, leading a network of committed financial services innovators to build better consumer products and practices.
Open Banking Working Group (OBWG)	Open API Standard across Banking in the UK	The OBWG is outlining an Open Banking Standard to guide how open banking data should be created, shared and used by its owners and those who access it.
Payment Services Directive (PSD2)	Regulate European Payment Services and Service Providers	Better protect European consumers when they pay online, promote the development and use of innovative online and mobile payments, and make cross-border European payment services safer.

We look forward to your participation as we lay the foundation for FDX and work together to establish this industry financial data ecosystem.