






Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p> <p>2023/0205(COD)</p>	Awaiting Parliament's position in 1st reading
<p>Framework for Financial Data Access</p> <p>Amending Regulation 2010/1093 2009/0142(COD) Amending Regulation 2010/1094 2009/0143(COD) Amending Regulation 2010/1095 2009/0144(COD)</p> <p>Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 2.50.08 Financial services, financial reporting and auditing 3.30.06 Information and communication technologies, digital technologies</p> <p>Legislative priorities Joint Declaration 2023-24</p>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs		
	Former committee responsible		
	 Economic and Monetary Affairs		19/07/2023
		 HOOGVEEN Michiel	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Civil Liberties, Justice and Home Affairs		
	Former committee for opinion		
	 Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
Council of the European Union			
European Commission	Commission DG Financial Stability, Financial Services and Capital Markets Union	Commissioner MCGUINNESS Mairead	
European Economic and Social Committee			

Key events			
28/06/2023	Legislative proposal published	COM(2023)0360	Summary
19/10/2023	Committee referral announced in Parliament, 1st reading		

30/04/2024	Committee report tabled for plenary, 1st reading	A9-0183/2024	Summary
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Technical information	
Procedure reference	2023/0205(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2010/1093 2009/0142(COD) Amending Regulation 2010/1094 2009/0143(COD) Amending Regulation 2010/1095 2009/0144(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ECON/10/00242

Documentation gateway					
Legislative proposal		COM(2023)0360	28/06/2023	EC	Summary
Document attached to the procedure		SEC(2023)0255	29/06/2023	EC	
Document attached to the procedure		SWD(2023)0224	29/06/2023	EC	
Document attached to the procedure		SWD(2023)0230	29/06/2023	EC	
Document attached to the procedure		N9-0090/2023 OJ C 000 20.11.2023, p. 0000	22/08/2023	EDPS	
Economic and Social Committee: opinion, report		CES3611/2023	13/12/2023	ESC	
Committee report tabled for plenary, 1st reading/single reading		A9-0183/2024	30/04/2024	EP	Summary

Framework for Financial Data Access

PURPOSE: to establish a framework for responsible access to individual and business customer data across a wide range of financial services (open finance).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: a responsible data economy, which is driven by the generation and use of data, is an integral part of the Union internal market that can bring benefits to both Union citizens and the economy. Digital technologies relying on data are increasingly driving change in financial markets by producing new business models, products and ways for firms to engage with customers.

Customers of financial institutions, both consumers and firms, should have effective control over their financial data and the opportunity to benefit from open, fair, and safe data-driven innovation in the financial sector. Those customers should be empowered to decide how and by whom their financial data is used and should have the option to grant firms access to their data for the purposes of obtaining financial and information services should they wish.

A dedicated and harmonised framework for access to financial data is therefore necessary at Union level to respond to the needs of the digital economy and to remove barriers to a well-functioning internal market for data. Specific rules are required to address these barriers to promote better access to customer data and hence make it possible for consumers and firms to realise the gains stemming from better financial

products and services. Data-driven finance would facilitate industry transition from the traditional supply of standardised products to tailored solutions that are better suited to the customers specific needs, including improved customer facing interfaces that enhance competition, improve user experience and ensure financial services that are focused on the customer as the end user.

CONTENT: the proposed Regulation establishes rules on the access, sharing and use of certain categories of customer data in financial services. It also establishes rules concerning the authorisation and operation of financial information service providers.

The general objective of this proposal is to improve economic outcomes for financial services customers (consumers and businesses) and financial sector firms by promoting digital transformation and speed up adoption of data-driven business models in the EU financial sector.

The proposed Regulation will apply to following categories of customer data on:

- mortgage credit agreements, loans and accounts, except payment accounts as defined in the Payment Services Directive (EU) 2015/2366, including data on balance, conditions and transactions;
- savings, investments in financial instruments, insurance-based investment products, crypto-assets, real estate and other related financial assets as well as the economic benefits derived from such assets;
- pension rights in occupational pension schemes;
- pension rights on the provision of pan-European personal pension products;
- non-life insurance products, except for sickness and health insurance products;
- data which forms part of a creditworthiness assessment of a firm which is collected as part of a loan application process or a request for a credit rating.

This proposal will establish clear rights and obligations to manage customer data sharing in the financial sector beyond payment accounts, namely:

- possibility but no obligation for customers to share their data with data users (e.g. financial institutions or fintech firms) in secure machine-readable format to receive new, cheaper and better data-driven financial and information products and services (i.e. such as financial product comparison tools, personalised online advice);
- obligation for customer data holders (e.g. financial institutions) to make this data available to data users (e.g. other financial institutions or fintech firms) by putting in place the required technical infrastructure and subject to customer permission;
- full control by customers over who accesses their data and for what purpose to enhance trust in data sharing, facilitated by a requirement for dedicated permission dashboards and strengthened protection of customers' personal data in line with the General Data Protection Regulation (GDPR);
- standardisation of customer data and the required technical interfaces as part of financial data sharing schemes, of which both data holders and data users must become members;
- clear liability regimes for data breaches and dispute resolution mechanisms as part of financial data sharing schemes so that liability risks do not act as a disincentive for data holders to make data available;
- additional incentives for data holders to put in place high-quality interfaces for data users through reasonable compensation from data users in line with the general principles of business-to-business (B2B) data sharing laid down in the Data Act proposal (and smaller firms will only have to pay compensation at cost).

In practice, this proposal will lead to more innovative financial products and services for users and it will stimulate competition in the financial sector. For example, consumers will benefit from improved personal finance management and advice. Previously burdensome processes such as comparison services or switching to a new product will become smoother and cheaper, including for example, automated processing of mortgage applications. SMEs would also be able to access a wider range of financial services and products, such as more competitive loans resulting from their creditworthiness data being more easily accessible.

Framework for Financial Data Access

The Committee on Economic and Monetary adopted the report by Michiel HOOGEVEEN (ECR, NL) on the proposal for a regulation of the European Parliament and of the Council on a framework for Financial Data Access and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2022/2554.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

The proposed regulation establishes rules on the access, use and re-use of categories of customer data in financial services. The framework would be established for the access of customer data processed by financial institutions across the financial sector beyond payment account data. Based on owners permission, their data (including holdings of savings and investments in financial instruments and insurance-based investment products as well as data collected for the purposes of carrying out a suitability and appropriateness assessment) would be made available in order to develop and provide tailor-made and data-driven financial products and services.

Access to data

Ensuring customer control and trust is imperative to build a well-functioning and effective data access framework in the financial sector. Ensuring effective customers control over their data contributes to innovation as well as customer confidence and trust in using alternative service providers. As a result, effective control may help overcome customer reluctance to re-use their data.

The Unions financial data economy remains fragmented, characterised by uneven data access, barriers, and high stakeholder reluctance to

engage in unlocking and re-using data beyond payments accounts. Data required to conduct know-your-customer processes by financial firms, including SMEs, can be valuable when on-boarding new customers. Therefore, the access to and re-use of such data could significantly contribute to lowering barriers to switching providers and therefore result in increased competition and innovation for financial products and services to the benefit of customers.

Excluded data

Data related to sickness and health cover should be excluded from the scope, as well as confidential business data and undisclosed know-how. Members also decided that the large digital platforms designated as Gatekeepers pursuant to the Digital Markets Act should not be eligible to become financial information service providers (currently designated gatekeepers are Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft). These are platforms whose dominant online position makes it virtually impossible for business to reach end users if not through their gateways, and their exclusion aims to ensure that they could not circumvent the rules in case they owned or control data users.

Customer control over their data

Access to customer data in the scope of this regulation should be based on the explicit permission of the customer. Customers would decide how and by whom their financial data is used. The access should be based on customers explicit permission and data users would have to specify what they intend to make with them. The data could not be transferred to a third-party without permission. Moreover, a consent could be withdrawn at any time and free of charge.

Financial data access scheme governance and content

Customers should know what their rights are in case problems arise when data is accessed and who to approach to seek compensation. Financial data access scheme members, including data holders and data users, should therefore be required to agree on the contractual liability for data breaches, customer compensation when data is misused, including when it is transferred to a third party without the customers explicit permission, as well as how to resolve potential disputes between data holders and data users regarding liability. Those requirements should focus on establishing, as part of any contract, liability rules as well as clear obligations and rights to determine liability between the data holder and the data user.

Processing of personal data in the context of the new rules should be carried out in accordance with the exiting EU legislation.

Register

The European Banking Authority (EBA) should establish a register of authorised financial information service providers, as well as financial data access schemes agreed between data holders and data users. The register should be publicly available on EBAs website, should be machine readable, and should allow for easy searching and accessing the information listed, free of charge.

Transparency				
HEINÄLUOMA Eero	Shadow rapporteur	ECON	01/03/2024	GLEIF
KOVA?İK Ond?ej	Shadow rapporteur	ECON	21/02/2024	Société Générale
KOVA?İK Ond?ej	Shadow rapporteur	ECON	21/02/2024	S&P Global
KOVA?İK Ond?ej	Shadow rapporteur	ECON	21/02/2024	AMUNDI AM
KOVA?İK Ond?ej	Shadow rapporteur	ECON	21/02/2024	BlackRock
HEINÄLUOMA Eero	Shadow rapporteur	ECON	21/02/2024	Deutsche Börse AG
FITZGERALD Frances	Shadow rapporteur	ECON	26/01/2024	American Chamber of Commerce to the European Union
FITZGERALD Frances	Shadow rapporteur	ECON	26/01/2024	Banking & Payments Federation Ireland
KOVA?İK Ond?ej	Shadow rapporteur	ECON	25/01/2024	BIPAR - European Federation of Insurance Intermediaries
FITZGERALD Frances	Shadow rapporteur	ECON	25/01/2024	Afore Consulting
FERNÁNDEZ Jonás	Member	17/04/2024	Eurofinas	
	Member	12/04/2024	Fédération nationale des	

			syndicats d'agents généraux d'assurance
SANT Alfred	Member	06/03/2024	Mastercard Europe
	Member	01/03/2024	France Assureurs
	Member	12/02/2024	Association française des sociétés Financières
KARAS Othmar	Member	25/01/2024	Wirtschaftskammer Österreich
CASTALDO Fabio Massimo	Member	24/01/2024	Associazione Nazionale fra le Imprese Assicuratrici
	Member	24/01/2024	Fédération bancaire française
FERBER Markus	Member	17/01/2024	Dutch Federation of Pension Funds
	Member	12/01/2024	Fédération Française de l'Assurance