

HKMA published Open API Framework for the banking sector and announced the launch of Open API on official website

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) published today (July 18) the Open Application Programming Interface (Open API) Framework for the Hong Kong banking sector. At the same time, the HKMA announced the launch of Open API on its official website on July 23, 2018 to provide convenient access by the public.

The formulation of the Open API Framework is one of the seven initiatives announced by the HKMA in September 2017 to prepare Hong Kong to move into a new era of Smart Banking. Open API can help to ensure the competitiveness of the banking sector, encourage more parties to provide innovative and integrated services that improve customer experience, and keep up with worldwide development on the delivery of banking services.

During the consultation, the HKMA received 41 responses from banks, technology/fintech firms, industry associations, consulting firms, payment card scheme operators, individuals and other interested organisations. All respondents were supportive of the HKMA's policy direction in developing an Open API Framework. Some respondents have sought clarification or requested more details on the Framework particularly on the engagement with Third Party Service Providers (TSPs). A summary of the comments received during the public consultation and the HKMA's responses can be found in the Summary of Consultation at Annex 1. Taking into consideration the comments received, the HKMA has revised and published today the Framework as Annex 2.

The Framework takes a risk-based principle and a four-phase* approach to implement various Open API functions, and recommends prevailing international technical standards to ensure fast adoption and security. It also lays out detailed expectations on how banks should onboard and maintain relationship with TSPs in a manner that ensures consumer protection. The HKMA believes that the Framework will serve as an important guide for the banking industry in Hong Kong to adopt APIs effectively and strike a good balance between innovation and risks.

With release of the Framework, the HKMA expects banks to deploy Phase I Open APIs within 6 months and Phase II Open APIs within 12 to 15 months. Upon receiving the deployment roadmaps from banks, the HKMA plans to publish a summary of roadmaps of the Open API functions from the banks for reference by the market. The HKMA will work closely with the industry in the next 12 months on the deployment timeline for Phase III and IV Open APIs, taking into account implementation progress of Phase I and II, and international development. We will publish a timetable in due course. The HKMA will closely

monitor the Open API adoption progress, and looks forward to working with the industry and market participants to develop a healthy banking Open API ecosystem.

While promoting the wide adoption of Open API by the banking industry in Hong Kong, the HKMA sets an example by launching Open API on its official website on July 23, 2018. Around 130 sets of information covering all financial data and important information published on the HKMA's website will be made available for Open API by phases. On the day of launch, 50 sets of financial data and important information will be opened via API. These cover the information most frequently accessed by the public, such as statistics on Hong Kong dollar exchange rates, interest rates, the banking sector and the Exchange Fund, as well as press releases and Coin Cart schedule. The remaining 80 sets of information will be opened via API by phases for completion by mid-2019. With the launch of HKMA's Open API, stakeholders and members of the public can retrieve information and data from the HKMA's website in a more convenient and efficient way for research purpose or for developing new applications.

The Chief Executive of the HKMA, Mr Norman Chan, said, "Open API is one small step for a bank, but a milestone for financial innovation in the banking sector. We hope that the Framework will provide specific guidance to enable collaboration between banks and TSPs, and ultimately bring new experience of innovative, convenient and safe banking services to customers. The HKMA is leading by example through making available a range of financial data and important information on the HKMA's website in Open API format, in order to facilitate flexible retrieval and application of such information by stakeholders and the general public."

*The four phases of Open API are: Phase I Product information; Phase II Customer acquisition; Phase III Account information; and Phase IV Transactions.