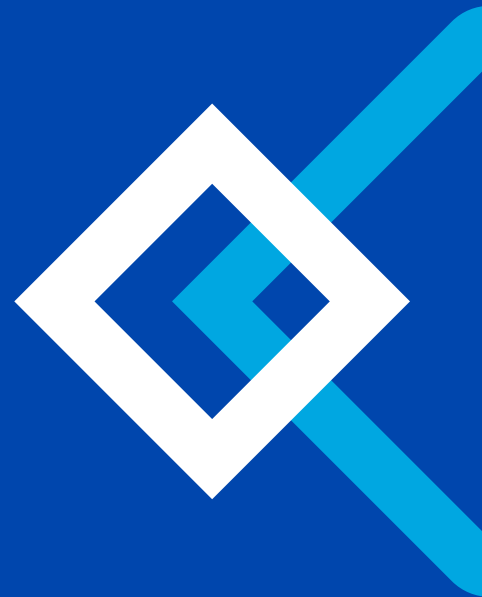




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The fallback solution?  
With Fabrick it is "turn-key"



**A few days after the implementation of the PSD2, banks, Payment Institutions and Electronic Money Institutions throughout Europe, are called to equip themselves with or to evaluate the implementation of a backup solution (fallback solution) that can **guarantee** the operational quality of Third Parties and the **access to accounts according to the market and of the regulator's expectations.**** The development of an alternative process to the API system is demanding and requires significant human and financial resources, but Fabrick responds to this urgent need by offering a modular and ready-to-use solution that drastically reduces the operational and economic impact, putting interested parties in a position to immediately comply with the **European Regulation which will be fully implemented the next 14th September.**

After a long period of approach, **the implementation of the PSD2 (Payment Services Directive)** is now a matter of days, the European Regulation that radically changes the horizon of the banking system. The path towards the PSD2 is one that has represented for banks throughout Europe an important investment in terms of technology and compliance, necessary to organize the exposure through API of the data of its customers to authorized Third Parties (Third Party Providers or TPP) and thus fulfill the interoperability horizon that opens up the doors to the open banking revolution. Everything is ready, then? Almost...

In fact, there is **one last element** to that, in this final rush, calls on financial institutions across Europe to reflect on the last step of adapting their systems: **the implementation of a fallback solution**, or an emergency interface that intervenes immediately in the event of unscheduled unavailability of the dedicated interface (API), and **can guarantee operational continuity to the entire system that has developed applications and data access functions or access to the accounts.** A back-up solution that consists, basically, of the possibility for TPPs to access data through the user interface for the entire period in which accesses via API are not available or do not comply with the quality levels expected by financial operators.

The arrangement by the Financial Institutions of this "parachute" **is a specific**

**criterion provided in the Regulatory Technical Standard (RTS) issued by the EBA** - the European Banking Authority.

An obligation yes, but not for everyone, since the EBA has provided that the competent national authorities (for Italy, the Bank of Italy) can **exempt the institutions for servicing accounts (so not only banks, but also institutes of Payment and electronic money institutions)** from the obligation to implement alternative access through the Customer Interface, provided that the dedicated interface (API) meets certain security/quality requirements/conditions provided in a specific article of the regulation (art. 33/6).

As a demonstration that the transition to the new banking age is not simple at all, in several European countries there was a real race to request the exemption, but - beyond the time frame of analysis by the national authorities - the exemption it is not the only solution that can be undertaken.

The same EBA Regulation states that the National Competent Authorities can **revoke such exemptions** when a dedicated communication interface is not able to comply with the established quality requirements for two consecutive calendar weeks; in this case, **such Banks, will have to prepare a fall-back system as soon as possible**, and in any case within a period of time not exceeding 2 months.

Moreover, in order not to fall under the "obligation" of having a fallback solution available, banks **must prepare "transparent" KPIs and target service levels** for the dedicated APIs, which are - in terms of availability and data provided - in line with those already defined for online payments and internet banking platforms used by customers. So, banks must guarantee to Third Parties the same quality standards of access and operability that they guarantee to each customer that uses the home banking system. The interfaces, indicators and target service levels are naturally subject to monitoring and stress- testing by the National Competent Authorities.

What to do then? Bet everything on perpetual exemption or look ahead and **plan a backup right away to ensure you already have put away a security solution** in case the API interface has some failures? And for those who will not be able to obtain - or did not request the exemption from the Fallback Solution - how will they meet the new regulations? That is a prevailing question within banks across Europe on the verge of PSD2.

**To answer - immediately and accurately- to this question is Fabrick**, who has developed two solutions for extremely effective and efficient management of the fall-back solution. Ready-to-use answers, ideal for financial institutions that want to reduce the impact (organizational and cost) of an internal implementation process of this backup tool.

**The first solution** is the "**TPP Directory API**", designed **for banks that want to implement an in-house fall-back solution**. For them, Fabrick provides a set of APIs that can easily replicate a daily updated register that brings together both the TPPs and the banks across Europe; basically, a detailed, complete and constantly fed directory with all the information relating to the subjects and necessary to authenticate and authorize the TPPs and the Banks starting from the eIDAS certificate. These APIs provide Unique Reference Number of the institution, roles (AISP, PISP or CISP), countries in which tpp/bank is authorized to operate.

The second one, renamed "**TPP Gate**", frees banks also from this step, and allows them to **entrust the identification and authorization processes directly to Fabrick**: Fabrick creates a personalized endpoint for the single bank for emergency access, validates the certificate and redirects the TPP on the home banking. In this case, the bank has a specific API to download the generated identification information.

Thanks to its clear mission, Fabrick - born precisely to support the banking system in the revolution and evolution introduced by the arrival of Fintech and PSD2 - is among the first companies to have developed a fallback solution for the entire

European market, establishing its technological leadership based and built on a clear strategic vision. The Fabrick fallback solution presents itself as an "industrialized" solution, and for this reason, it is unquestionably advantageous for banks both from an economic point of view to the timing and the setting up customized or specifically designed systems realised by individual credit institutions.

Naturally, Fabrick's offer is also addressed to Bank's Service Centers and to all the Payment Institutes or Electronic Money Institutes all over Europe that must comply with all regulatory requirements, ensuring full compliance at extremely low costs and really short timely implementation.



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