

The Advisory Committee to the Open Banking Review/Financial Institutions Division
The Financial Sector Policy Branch
Department of Finance Canada
90 Elgin Street, Ottawa, ON K1A 0G5

1. Would open banking provide meaningful benefits to and improve outcomes for Canadians? In what ways?

There are three ways that I believe open banking will provide meaningful benefits and outcomes for Canadians. There are listed below:

1. Access and control over their financial and personal information
2. More competition and better services and products for Canadians
3. Ability to move and travel seamlessly to other jurisdictions that also have open banking standards

For access and control over their financial and personal information, this is a benefit because Canadians will understand and know where their information is being shared and for what purpose. For competition and access to better services and products, Canadians can then take the information which is theirs, and provide it to service entities and create a stronger marketplace for new fintech entrants looking to provide financial services directly to consumers, and also create an urgency for existing financial institutions to provide enhanced products to its existing customer base. Finally, if interoperability between jurisdictions is achieved as it relates to open banking, Canadians travelling abroad or moving to locations outside of Canada would be able to make available their personal and financial information to set up accounts or access products and services for countries that are also adhering to open banking standards. This could be done a lot more seamlessly than what is now required, where a Canadian would have to create a new profile in a new country.

2. In order for Canadians to feel confident in an open banking system, how should risks related to consumer protection, privacy, cyber security and financial stability be managed?

For Canadians to feel confident in an open banking system, there should be mandated by the government, education sessions and information provided to Canadians from the service providers who will be deploying the open banking system. The service providers would be financial intuitions, payment networks, fintechs, etc. The information communicated should be consistent and the inherent benefits and risks to Canadians outlined. This information should be available both online, on mobile applications, in branch or requested by mail.

In order to manage the risks related to consumer protection, privacy, cyber security and financial stability, there would need to be a significant coordination of the relevant governing bodies that manage these areas for Canadians. It's important to create the framework and rules that each of the service provider need to adhere to for the benefit of Canadians, but it is not enough to set the parameters and not have controls in place to confirm compliance. This is an area for open banking that requires a significant amount of research and policies to be drafted in order for this to be effectively delivered.

3. If you are of the view that Canada should move forward with implementing an open banking system, what role and steps are appropriate for the federal government to take in the implementation of open banking?

The first step which has been set up successfully was to create a strong Advisory Committee with industry representatives to consider the impacts of open banking. The next step would be to develop the standards and expectations that each of the relevant industry participant should play to facilitate open banking. This would require engagement from the appropriate constituents such as large financial institutions, payment networks, fintechs and other services provider and feedback should be consolidated. Once the standards and expectations have been recommended or consulted on by these constituents, I believe the government should be the one creating and enforcing the regulations that should be utilized across the industry, with these recommendations considered. A timeline should be communicated on when everyone should be adhering to these new regulations, using similar timelines that would have been used by other jurisdictions that have deployed open banking. At the same time, the compliance monitoring program that will be put in place should be communicated as well as the timelines of when these checks and balances will be completed.

Thank you for allowing me to read about the work that is being done on open banking for Canadians and reading my thoughts on this potentially industry changing initiative. I welcome the opportunity to provide more insights and recommendations as you continue down this path of discovery.

Yours sincerely,



Tarak Saha
Head of Strategy & Operations
Ficanex Services Limited Partnership