

## Open Finance, Open Data, and Digital ID

*Open finance, open data, and digital ID are rapidly transforming the global financial services landscape, with multiple jurisdictions exploring or implementing these concepts. These developments aim to empower customers by enabling data sharing, leading to more personalized financial products. Additionally, the movement is revolutionizing payment systems, introducing account-to-account transfers that reduce reliance on traditional card networks and lowering merchant costs through direct settlements.*

**REGIONAL APPROACHES TO OPEN FINANCE:** The objectives and focus of open finance initiatives differ significantly across regions, reflecting varying regulatory environments, industry drivers, adoption trends, and sectoral priorities. In the UK, regulatory-driven initiatives are using open finance as a tool to enhance competition against traditional financial service providers. In contrast, in Singapore and the US, a permissive environment and industry-driven innovation spearheaded by market players have been the primary drivers. Australia focuses on account information services and database management, while countries like the UAE and Brazil have a broader scope that includes sectors such as telecommunications, energy, and insurance. The success of open finance initiatives hinges on clear strategies, commercial sustainability, and robust infrastructure. Notably, in the UK, improvements in API performance have set a high benchmark, demonstrating the importance of reliable and secure systems in fostering trust within the ecosystem.

**BRAZIL'S OPEN FINANCE AND DIGITAL ID LANDSCAPE:** Brazil exemplifies the opportunities and challenges within the open finance landscape, with ongoing advancements and a focus on improving its ecosystem through regulation and technology. While there have been significant advancements in customer engagement and operational efficiency, Brazil's Open Finance Maturity Index rating indicates room for growth. Upcoming regulations on open insurance and credit portability, alongside the expansion of the PIX payment system, are expected to further drive Brazil's open finance ecosystem. Use of AI and blockchain technologies in the country to enhance digital ID management reflects a broader trend towards innovation aimed at financial inclusion.

**PROGRESS AND CHALLENGES IN GLOBAL OPEN FINANCE AND DIGITAL ID ADOPTION:** Across the globe, the movement towards open finance and digital ID is advancing, although varying levels of progress and challenges highlight the complexity of global implementation. Latin American countries such as Colombia, Chile, and Uruguay are making progress in open finance through new laws and regulations. However, challenges remain, as evidenced by Australia's low adoption rate under the Consumer Data Right framework. Meanwhile, in the UK, financial institutions are weighing the benefits of building open finance infrastructure internally versus outsourcing, with the expectation that mature systems will drive the development of new and innovative financial products in the coming years. Overall, the global movement towards open finance, open data, and digital ID is poised to reshape financial services; however, costs are coming into focus and there are more questions about the benefit. Regional differences and implementation challenges will continue to influence the pace and success of this transformation.

*We look forward to continuing the DataTalk series on Wednesday, November 20, 8:00 am Washington DC / 8:00 pm Singapore when we will explore Payments, E-commerce, and Data. This series gathers thought leaders and experts sharing their insights and views, as well as a dialogue with member firms about implications for the financial services industry and new developments on the policy front. If you would like to register for the upcoming session of DataTalk, please [register here](#).*