

The state of play on open banking

The door to open banking has opened and significant milestones in five key workstreams are approaching in the coming months. This snapshot sets out the key dates to look out for across each workstream.

Customer and Product Data Bill (CPD Bill)	The API Centre's Minimum Open Banking Implementation Plan	Designation of the interbank payment network	Payments NZ's authorisation application	Commerce Commission market study into personal banking services
<p>The CPD Bill, introduced to Parliament on 16 May this year, will bring in a consumer data right on a sector-by-sector basis, beginning with the banking industry. It will require designated data-holding businesses, with the consent of the consumer, to share certain personal data with accredited third parties.</p>	<p>Industry has committed to minimum requirements under the Implementation Plan (as we previously set out here), which are currently being implemented. The first deadline was 30 May, by which time ANZ, ASB, BNZ and Westpac committed to have the API Centre's standardised payment initiation API ready for use.</p>	<p>Citing a lack of momentum in payments innovation, the Commission is considering whether to recommend that the interbank payment network be designated. Designation would give the Commission enforcement powers and the ability to regulate fees and standards. Submissions on the Commission's consultation closed on 10 May this year.</p>	<p>Payments NZ applied for authorisation to develop a third party access accreditation scheme and default contractual terms and conditions to apply between banks (as API providers) and accredited third parties. On 1 July, the Commission published its draft determination to grant authorisation to Payments NZ, subject to conditions for a period of 18 months.</p>	<p>The Commission's draft report, published in March this year, included a draft recommendation to accelerate progress on open banking, i.e., that the Government should set clear deadlines and work with industry to ensure open banking is fully operational by June 2026.</p>

Key dates

15 July	Week of 22 July	19 August	20 August	22 August	30 November	End of the year
<p>Deadline for submissions on the Commission's draft determination on Payments NZ's authorisation application (cross-submissions due 22 July).</p>	<p><u>Expected</u> first reading of the CPD Bill.</p>	<p>Commission's decision expected on whether to recommend designation of the interbank payment network.</p>	<p>Commission's final report due on its personal banking market study, which if it follows the draft report would include a recommendation on open banking.</p>	<p>Commission's final determination expected on Payments NZ's authorisation application.</p>	<p>ANZ, ASB, BNZ and Westpac have committed, under the Implementation Plan, to have the API Centre's standardised account information API ready by this date.</p>	<p>Target date for passing the CPD Bill. Timing for the banking sector to become subject to the CPD Bill is TBC, with the technical standards still needing to be developed.</p>