



A Canadian Perspective on Open Banking

May 2025



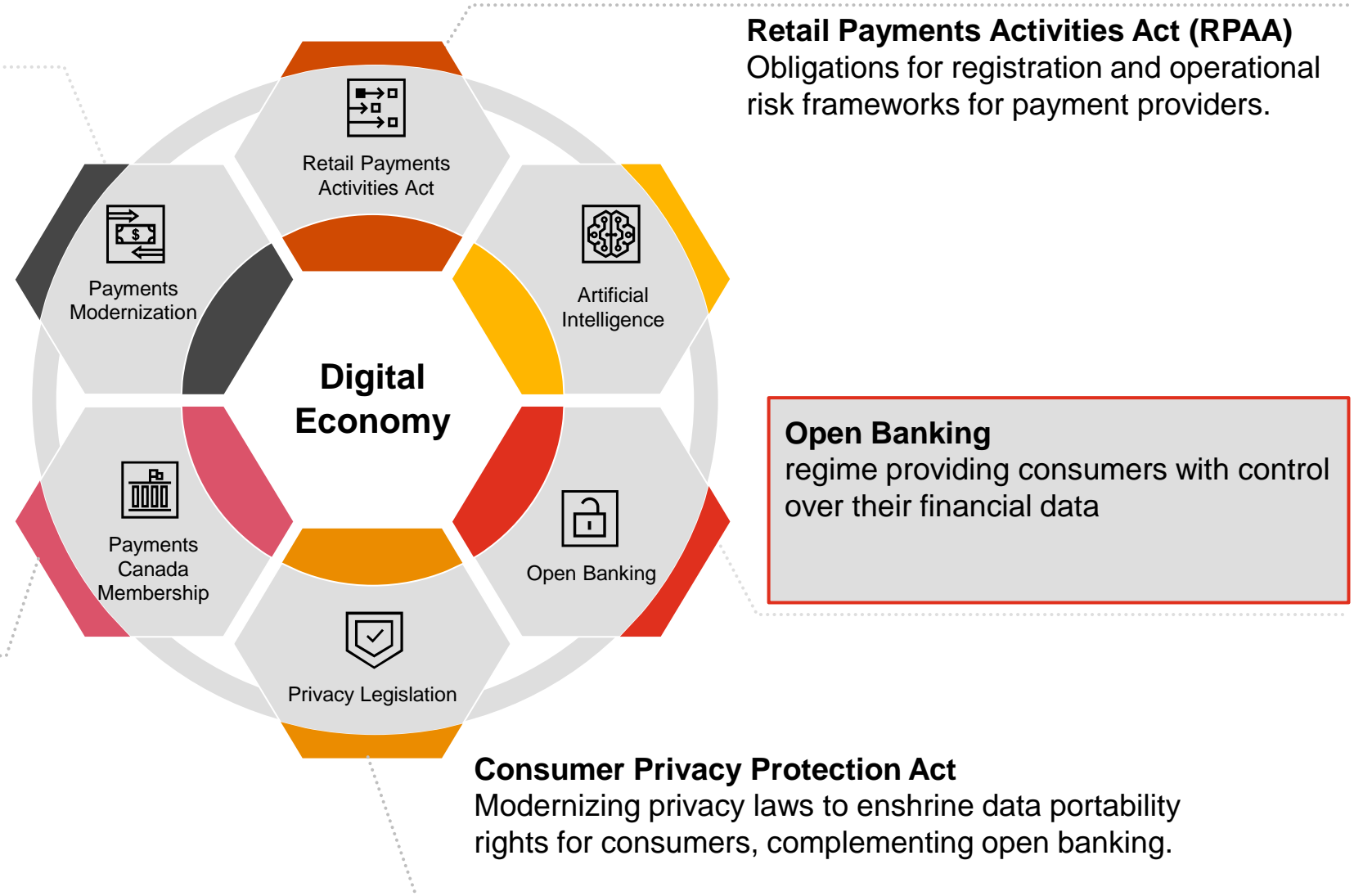


Understanding open banking – in the context of the digital economy

Open banking is not the only major initiative in Canadian financial services. Rather, it is juxtaposed against others that will transform the industry.

Modern Payment Infrastructure
implementing real-time instant settlements and data-rich transactions

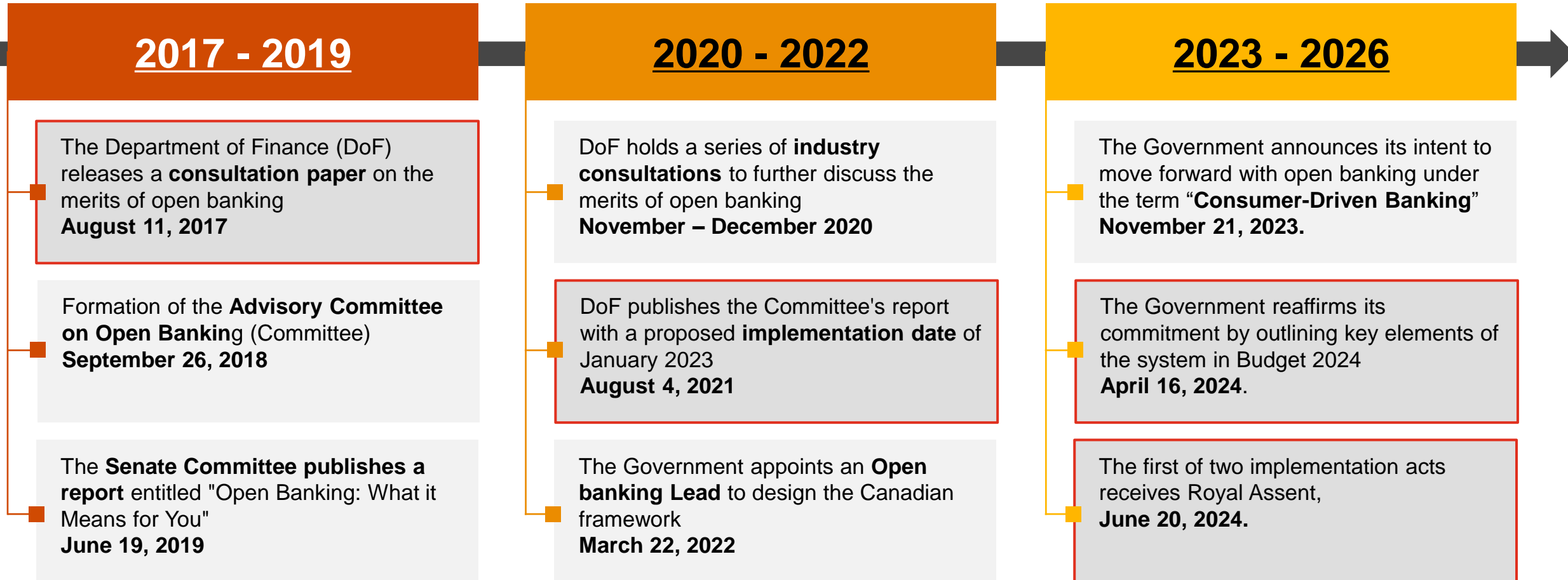
Payments Canada Membership
changes to provide expanded access to core payment clearing and settlement systems





Key dates in Canada's open banking journey - the long road

While the journey has been long, there are finally indications that a go-live date is around the corner.





The Beginning – August 11, 2017

Review of the Federal Financial Sector Framework



Department of Finance releases a consultation with regards to the review of the federal financial sector



This marks the origin of the policy objectives for Canada's system, setting it apart from others



Focus on empowering consumers vs. corrective market measures

“Open banking holds the potential to make it easier for consumers to interact with financial service providers and increase competition.

It is also an area that stakeholders, including fintechs, identified as key to encouraging innovation in the sector. The Department intends to examine the merits of open banking to give Canadians greater access to and control over their banking data, while protecting their security and privacy.”

Review of the Federal Financial Sector Framework - Examining the Merits of Open Banking



The Second Act – August 4, 2021

Final Report - Advisory Committee on Open Banking



**Expert panel
appointed by
the government
releases report**



**Mandated
participation of
federally
regulated
banks to
provide the
system with
data**



**Iterative
approach to
open banking,
starting with
“read only”**



**“Fit for
purpose”
governance
entity, blending
government
and industry
involvement**



**Acknowledges
role for
industry
participation in
the system**



The Third Act – April 16, 2024

Budget 2024 – “Consumer-Driven Banking”

- 1 Following up on the 2023 Fall Economic Statement and terminology change
- 2 Key elements of the framework revealed
- 3 FCAC entrusted with governance of the system
- 4 Mandating participation of largest retail banks
- 5 No consumer liability for data sharing

Outcomes



**Government
led
framework**



Clarity on scope



**Roadmap for tech
standard
recognition**



**Admission into
ecosystem via
accreditation**



The Fourth Act – June 20, 2024

First Canadian legislation on open banking



First attempt at legislating open banking. Part of a twofold legislative approach



Opens the door to industry cooperation with a standards body to establish a technical standard



Provides the Senior Deputy Commissioner with enforcement powers



“The purpose of this Act is to establish a framework within which consumers, including small businesses, can direct that their data be shared among participating **entities of their choice** and to ensure that the sharing of data among participating entities is **safe and secure.**”

*Budget Implementation Act –
Division 16 - The Consumer-Driven
Banking Act*



Foundational elements of open banking

While there's no universally accepted definition, the common factor is how systems focus their design on protecting and growing the financial well-being of consumers.





Thank you

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