

**Mr.
Open
Banking**

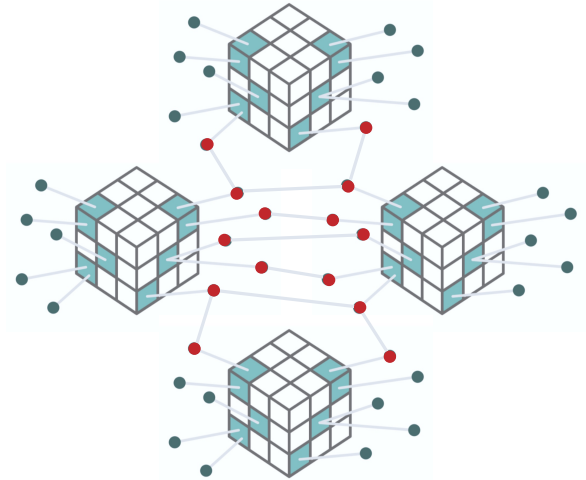
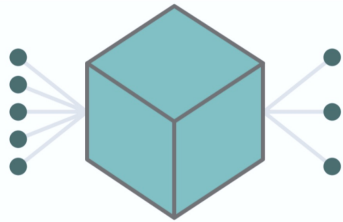


Creating a Sustainable Open Finance Ecosystem in Mexico

Presented @ Open Banking Townhall
Mexico City, Mexico – 05/21/25

**Open banking is forever
changing how we
interact with our money.**

What is open banking?



What is open banking trying to do?



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Why is open banking happening?



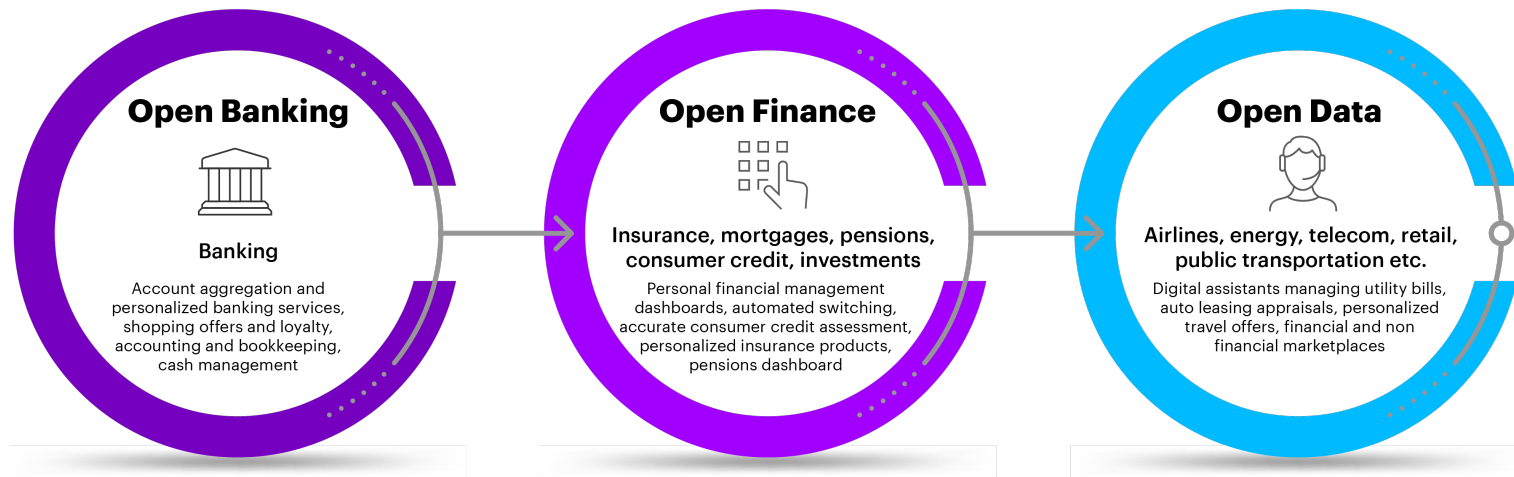
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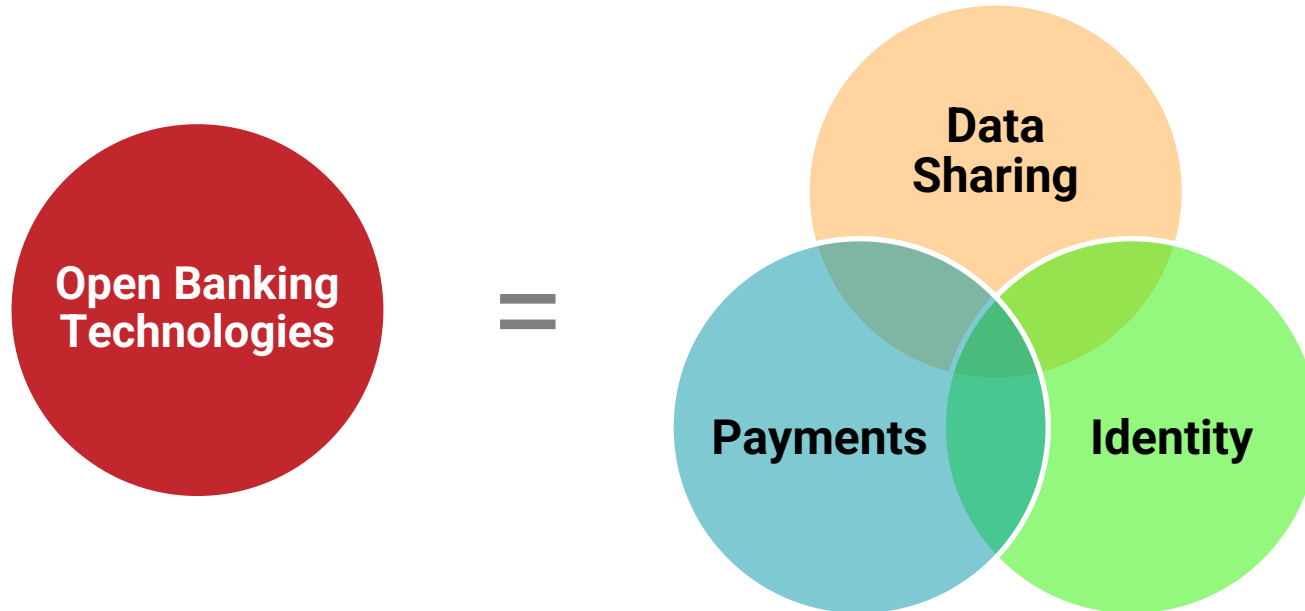
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What is open finance?



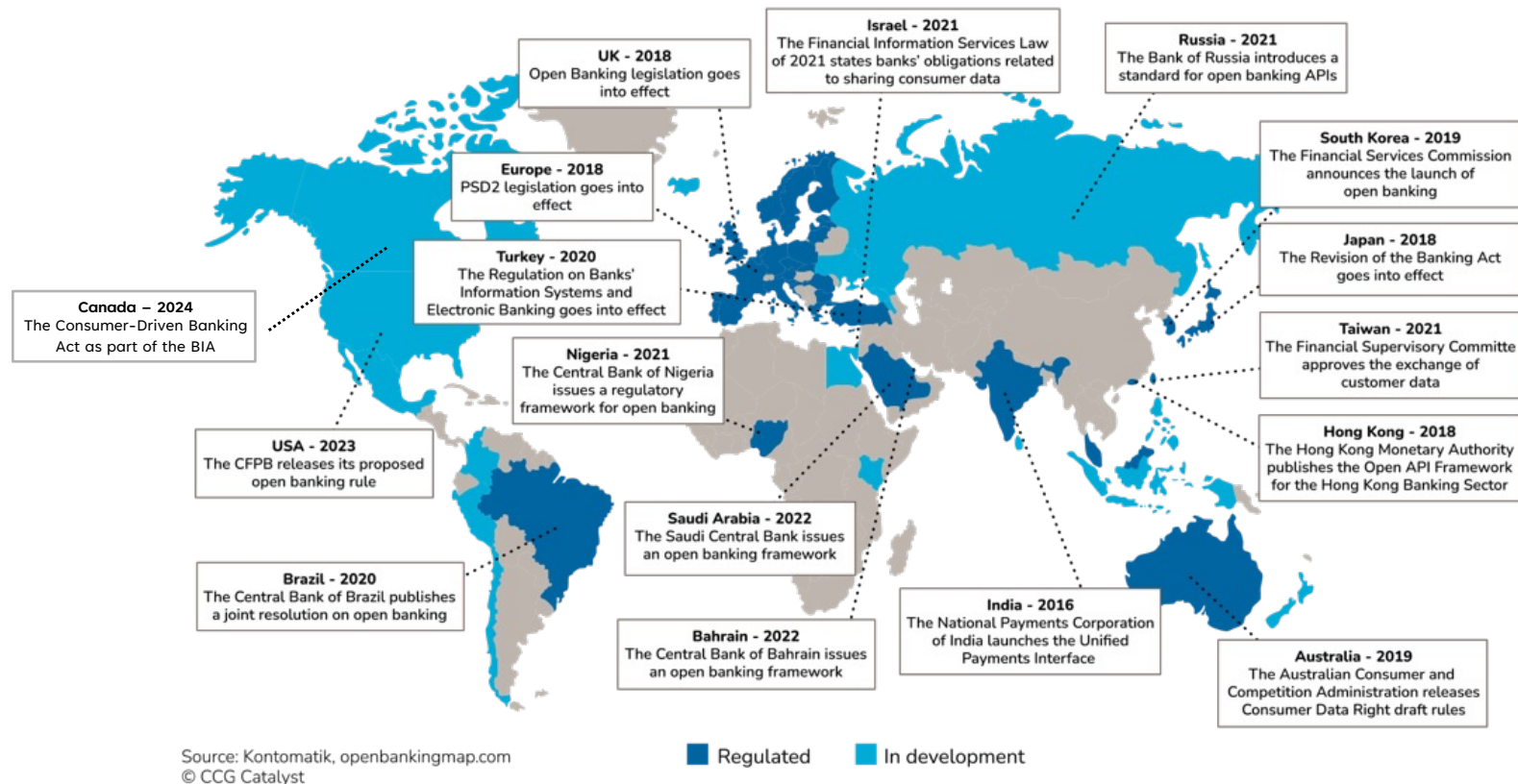
What are the key technology pillars?



Who benefits from open banking?

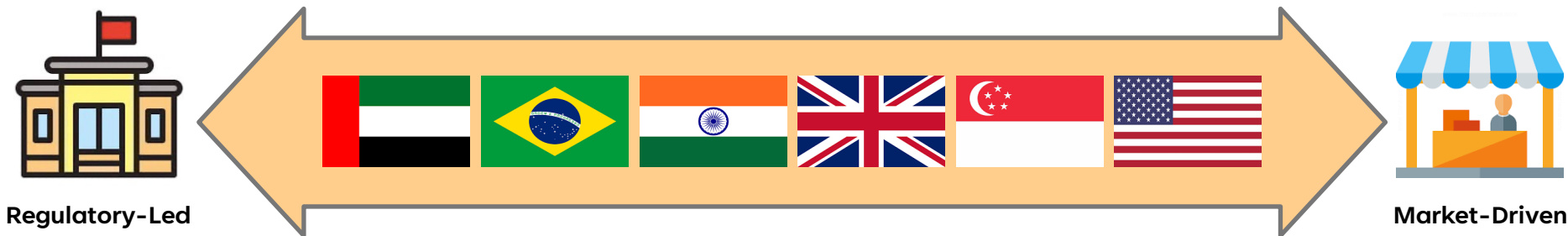
- ✓ **Fintechs** win through access to more customers
- ✓ **Banks** win through access to wider distribution
- ✓ **Regulators** win through protecting their citizens
- ✓ **Consumers** win through better financial products

A Global Trend | Adoption of an open banking has become the norm



Some form of open finance strategy is now underway in over 70 countries.

Learning How to Cooperate | The market and regulators must work together



Open banking demands a healthy mix of market-driven and regulatory-led.

**Regulated open finance has
arrived in North America.**

What's About to Happen? | The Coming Regulatory Storm



Regulated North American open banking is getting slowly spelled out in detail.

American Open Banking | Personal Financial Data Rights



- Name: **Personal Financial Data Rights**
- Year of Origin: **2023**
- Regulation: **Section 1033 of Dodd-Frank**
- Status: **Final Rule (released Oct 22/2024)**
- Next Step: **Rule adjustments by new CFPB**

The American approach is focused on driving fair competition & innovation.

What is in Section 1033? | Clear Regulatory Direction with Some Gaps



Who and What is Included?

- **Participants** include all banks and FI's with >850M in assets across five staggered tiers based on AUM.
- **Scope** covers deposits (Reg E), credit cards (Reg Z), payment providers & digital wallets.
- **Timeline** requires first tier (>250B) to comply by Apr 1, 2026, which a tier per year from 2027-2030.



Good Things to Know

- In January 2025, FDX was officially **recognized** by the CFPB as a standards-setting body for 1033.
- The lack of clear **liability** rules, an **accreditation** process and a public **registry** raise questions.
- The CFPB faces a **lawsuit from the BPI & KBA** which says Section 1033 goes too far (and not far enough).



What Should Happen Next?

- As the standards body, FDX should **finalize the required data set** for 1033 compliance (i.e. CSDF)
- FDX will also need to establish a **certification process** and the scope it will cover.
- Section 1033 must survive any **revisions demanded** by the incoming CFPB leadership.

Section 1033 is an ambitious and clear rule, but some aspects remain vague.

Canadian Open Banking | Consumer-Driven Banking



- Name: Consumer-Driven Banking (CDB)
- Year of Origin: 2018
- Regulation: CDB Act (part of BIA 1 & 2)
- Status: BIA 1 passed, BIA 2 in readings
- Next Step: Federal Election, pick up BIA 2

The Canadian approach prioritizes safety, soundness & consumer protection.

What is in Consumer-Driven Banking? | An Unfortunate Lack of Detail



Who and What is Included?

- **Participants** include the largest retail banks, while other regulated FI's and credit unions are opt-in.
- **Scope** covers deposits, investments, credit cards, pre-paid, loans, LoC's & mortgages.
- **Timeline** remains unclear, but a notional live date of 2026 has been offered.



Good Things to Know

- Clear **accreditation** rules and a public **registry** are in-scope, with the **FCAC** as the governing body.
- Strong **financial penalties** for all participating entities and **liability rules** that follow the data.
- Support for **reciprocal access** whereby all those consuming data must also provide data.



What Should Happen Next?

- The Budget Implementation Act Part 2 (**BIA 2**), which contains more details, should be publicly released.
- Concerns regarding a lack of **tiered accreditation** and the role of FCAC will need to be addressed.
- **Standard selection criteria** and a clear **timeline** will need to be defined.

Consumer-Driven Banking has strong principles but lacks concrete direction.

Two Countries, Same Challenges | Canada & America face similar headwinds



Prime Minister stepped down
Parliament pro-rogued
BIA 2 / CDBA reading delayed
Upcoming federal election

Leadership changes will lead to
revisiting existing efforts



New President and administration
Aggressive anti-regulatory push
BPI lawsuit leads to 3-month delay
Churning mandate at the CFPB

Leadership changes will lead to
revisiting existing efforts

Regulation in North America faces big risks, but the market continues to build .

How are they the same? | The U.S. and Canada have influenced each other

1. Both started with market-led activity
2. FDX emerged as the dominant standard
3. Moving straight to open finance (differently)
4. Regulation is late relative to the world
5. Struggles with governance models

Both the U.S. and Canada put guardrails on existing consumer behavior.

How are they different? | Despite sharing similar goals, their approaches differ

1. U.S. has much clearer regulatory guidance
2. Canada will require formal accreditation
3. U.S. includes digital wallet providers
4. Canada supports reciprocal data sharing
5. Approach to secondary use of data

The primary difference is that the U.S. is bottom-up while Canada is top-down.

**The time has come for
Mexico to join in and chart
its own course.**

Mexican Open Banking | The Fintech Law



- Name: Fintech Law
- Year of Origin: 2018
- Regulation: LRFTI
- Status: Final Rule (released Mar 9/2018)
- Next Step: Establish Supervisory Commission

Mexican regulators were far ahead but have since experienced long delays.

Where is Mexico today? | Trying to find a balance between market and regulator



Regulatory-Led

Banco de Mexico
Ministry of Finance
Securities Commission

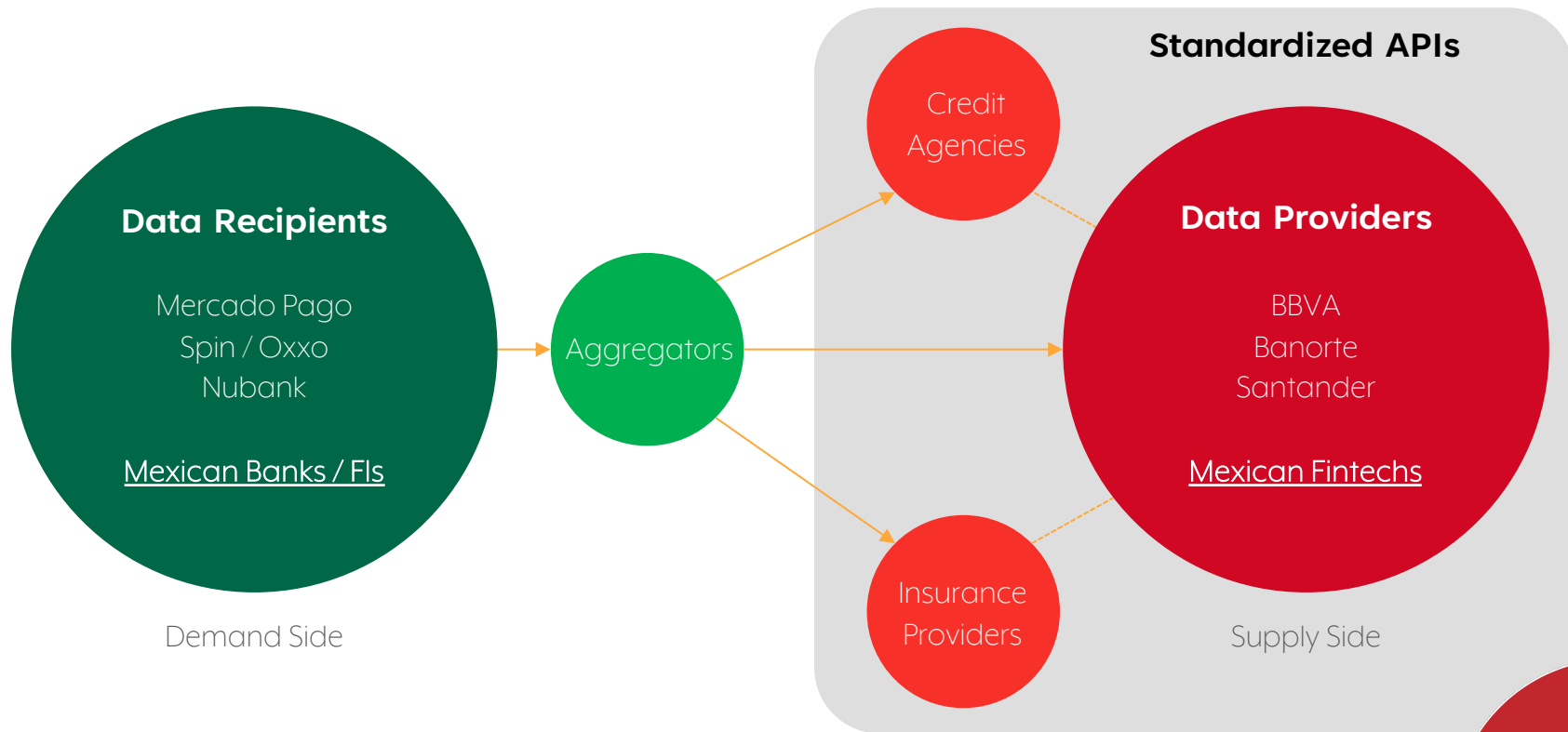


Market-Driven

Support from Top Banks
Bank Association (ABM)
Mexican Fintech Association

Most recognize the benefits of open banking, but don't know where to start.

Mexico Open Banking Architecture | Matching supply and demand



Many of the pieces required for Mexico to succeed are already in place today.

The Importance of Standards | Open, shared standards just plain work

- ✓ **Consistent** interfaces ease usage and integration
- ✓ **Interoperable** across an ecosystem of participants
- ✓ **Lower Cost** delivery due to existing functionality
- ✓ **Foundational** capabilities support future innovation

Open standards provide the fertile soil upon which future technology is created.

Best Next Steps | There are things Mexico can do today to move the needle

1. Leverage organizations that already exists
2. Create an open space for collaboration
3. Establish rules that both sides can agree on
4. Clearly define mandates and targets
5. Establish a Supervisory Commission

By following these steps, Mexico can reinvigorate their open banking journey.

What are the major lessons?

- 1. Learn the open banking standards**
- 2. Balance data privacy and data function**
- 3. Government & market must cooperate**
- 4. Shift your mindset from closed to open**
- 5. Understand that this shift is inevitable**

What Could Go Wrong? | Prepare to navigate rocky, uncertain terrain

- Ongoing Standards Volatility
- Disagreements About Scope
- Evolving Security Considerations
- Overly Complex Accreditation
- Interoperability & Versioning

**Open banking is not a one-time build.
Expect this to be a journey.**

Many regions have shown that open banking is difficult and unpredictable.

Where do we go from here?



What is open everything?

open banking
open finance
open data
open x

open EVERYTHING



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**The
future of
Mexico
is open.**

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