

12 FEBRUARY 2025

Building a future-proof open finance ecosystem: The FIDA trilogues

Executive summary

DIGITALEUROPE welcomes the proposed financial data access (FIDA) framework as a key enabler of financial data sharing in the EU.¹ To ensure its success, FIDA must be implemented gradually, allow flexibility in use cases, and align with existing regulations to foster innovation, competition and economic growth.

In the upcoming trilogue negotiations, we urge policymakers to adopt the following recommendations to build a future-proof open finance ecosystem:

- ▶▶ **Implementation and use cases:** FIDA should follow a phased implementation approach, allowing up to 48 months for industry adaptation. Stakeholders should be actively involved through Technical Working Groups to define high-demand data categories. To ensure efficiency, only datasets with clear market demand should be prioritised, with an impact assessment guiding implementation.
- ▶▶ **Scope and definitions:** FIDA must not restrict data processing to financial services. Instead, it should enable cross-sector data reuse for improved product offerings. The definition of ‘customer’ should explicitly include retail clients, SMEs and mid-cap companies. Data users should not automatically become data holders, and historical data retention should align with the two-year standard in the Payment Services Directive 2 (PSD2) instead of 10 years.² Mandated data sharing must be limited to raw data, excluding inferred or processed data.
- ▶▶ **Data access, sharing and compensation:** FIDA should allow continued bilateral data-sharing agreements until fully consolidated schemes are established. It should promote EU-level, not national-level, schemes to avoid market fragmentation. Platforms facilitating financial product access should not be required to participate in FIDA schemes. Compensation should be flexible, fair and margin-based, aligning with the Data Act.³

¹ COM/2023/360 final.

² Directive (EU) 2015/2366.

³ Regulation (EU) 2023/2854.

- ▶▶ **Supervision and permission dashboards:** Financial institutions should be supervised at the EU level, whilst other entities should remain under national oversight. National competent authorities (NCAs) must cooperate for harmonised enforcement. Permission dashboards should align with Payment Services Regulation (PSR) dashboards,⁴ allowing consolidated management across schemes, centralised permission bundling and outsourcing to technical service providers.
- ▶▶ **Regulatory alignment and data transfers:** FIDA must remain consistent with the General Data Protection Regulation (GDPR), the Data Act and the Digital Operational Resilience Act (DORA).⁵ It should explicitly allow all legal grounds under the GDPR and not impose stricter intra-group data-sharing rules. Restrictions on third-party data transfers should be removed to ensure coherence with existing protections.⁶

⁴ COM/2023/367 final.

⁵ Regulations (EU) 2016/679, 2023/2854 and 2022/2554, respectively.

⁶ See DIGITALEUROPE, *Data transfers in the data strategy: Understanding myth and reality*, available at https://cdn.digitaleurope.org/uploads/2022/06/DIGITALEUROPE_Data-transfers-in-the-data-strategy_Understanding-myth-and-reality.pdf.



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Implementation

A successful FIDA application should follow a phased implementation approach and ensure active involvement of industry stakeholders.

Phased implementation

FIDA's schemes should be introduced gradually, with an extended implementation deadline of up to 48 months, depending on the dataset.

For this reason, we support the Council's Recital 53 and Arts 36(2)–(4),⁷ which advocate for a phased timeline based on dataset type, standardisation level and data availability.

This gradual rollout will foster interoperability across financial sub-sectors and allow industry to adequately prepare the necessary technical, operational and commercial frameworks for financial data-sharing schemes.

Stakeholder involvement

All relevant stakeholders must be allowed to actively participate in the implementation phase. This process could be overseen by Technical Working Groups responsible for identifying high-demand data categories and use cases, and for developing a structured implementation plan. These groups should include representatives from data holders, data users, scheme owners and consumers, with supervisors acting as observers, keeping them informed of technical progress.



Use cases

For FIDA to truly enhance Europe's competitiveness and economic efficiency, it must remain flexible – prioritising schemes and datasets with clear customer demand, whilst deprioritising those lacking market interest.

To this end, an impact assessment should be conducted to identify and prioritise high-value use cases during implementation. This will ensure cost efficiency and a genuinely customer-centric approach, ultimately driving significant market improvements.



Scope

FIDA should not limit the processing of customer data solely to financial services, financial products or financial information services, as outlined in Recital 10 of the European Parliament's mandate.⁸ Instead, it should facilitate data reuse by consumers

⁷ Doc. 16312/24.

⁸ A9-0183/2024.

and businesses to enhance product and service offerings. Its scope should reflect market-driven open finance use cases.

Entities and clients

FIDA should apply to retail clients, SMEs and mid-cap companies, as they are likely to benefit most from the regulation. In line with the Parliament's proposal in Art. 3(2), we recommend amending the definition of 'customer' to explicitly include these three categories.

Data holders and data users

The definitions in Arts 3(5)–(6) must ensure that a data user does not automatically become a data holder simply by accessing or collecting customer data.

Data in scope

We support excluding data used to assess the creditworthiness of natural persons, as stated in Recital 9 of the Commission's proposal.

EU policymakers should specify the exact categories of customer sustainability preferences as reflected in the Council's Art. 2.

Historical data

Strict historical data requirements could impose unnecessary burdens on industry. The Council's Art. 2(1)(b) currently suggests a 10-year retention period. Instead, FIDA should align with existing business practices under the PSD2, which typically require historical data retention for two years.

Definitions

Mandated data sharing should be strictly limited to raw data, that is, data that has not undergone any processing beyond mere collection. The scope must explicitly exclude derived, inferred or otherwise processed data, as including such data would compromise proprietary information, commercially sensitive data, trade secrets and intellectual property rights.

DIGITALEUROPE welcomes the clarifications provided by co-legislators in their respective mandates and strongly supports retaining the wording in the Council's Recital 9 in the final text.

Additionally, FIDA should establish a clear definition of financial information service providers (FISPs). To ensure compliance, further guidance should be provided on the types of entities that qualify as FISPs, offering clarity on their roles and obligations under the regulation.



Data access and data sharing

FIDA schemes will serve as the primary legal framework for enabling financial data access and sharing.

This being said, bilateral data sharing agreements on a contractual basis should continue to be permitted. Market participants subject to FIDA should retain the ability to access data outside FIDA's financial data-sharing schemes, at least until a fully consolidated scheme is established for a particular product or service. In this regard, we support the Parliament's Art. 2(4)(b).

The new regulatory framework should prioritise EU-level financial data-sharing schemes over national-level initiatives, lest the single market be further fragmented by new EU regulation.⁹

FIDA should also clarify the role of platforms that enable consumer access to financial products. In cases where providers bundle data for products offered via a platform, the underlying product provider should not be required to provide data access, share data or participate in a scheme for this purpose. Data holders engaging with customers through a digital platform – without a direct interface – should be able to rely on the platform's customer interface without this being classified as outsourcing.

We recommend amending Art. 4 on the obligation to make data available to customers to explicitly reflect this.



Compensation

To ensure alignment with the Data Act,¹⁰ FIDA should establish a framework for reasonable compensation models, which may include a margin. DIGITALEUROPE supports the balanced approaches adopted by both co-legislators, ensuring fair compensation for data holders who share their data, as reflected in the Council's Art. 10(1)(h)(i) and the Parliament's Arts. 10(1)(h)(i)-(ii).

Compensation should be tailored to individual schemes, reflecting the specific dataset in question. The regulation should also allow flexibility in setting fees within schemes, ensuring that SME data users can participate without undue financial burden.



Supervision

We urge EU policymakers to maintain Art. 17 as proposed by the Commission, stipulating that:

- ▶▶ Financial institutions are supervised at the EU level; and

⁹ See DIGITALEUROPE, *The single market love story: 10 digital actions to save the 30-year marriage*, available at <https://cdn.digitaleurope.org/uploads/2024/02/DIGITAL-EUROPE-THE-SINGLE-MARKET-LOVE-STORY-FINAL-WEB.pdf>.

¹⁰ Regulation (EU) 2023/2854.

- ▶▶ Other entities within FIDA's scope remain under the oversight of NCAs.

NCAs must fully cooperate in carrying out their supervisory responsibilities under FIDA to ensure harmonised implementation. Enhanced coordination will be essential for regulatory consistency and effective enforcement.

Permission dashboards

Permission dashboards will empower customers with full control over their financial data. However, policymakers must consider the operational complexity for data holders in managing and communicating permission grants and withdrawals through these dashboards.

FIDA should explicitly define the responsibilities of data holders and data users regarding permission dashboards' implementation and maintenance. Additionally, design requirements should be less prescriptive and more principle-based, allowing for flexibility in development.

Permission dashboards under FIDA should be aligned with PSR dashboards, enabling data holders to manage permissions for both FIDA and PSR within a single interface. To avoid fragmentation whilst maintaining transparency, FIDA should:

- ▶▶ Permit centralised dashboards that consolidate granted permissions across multiple data holders; and
- ▶▶ Allow outsourcing to non-regulated technical service providers for dashboard management, ensuring efficiency and scalability.

This approach will enhance user experience, streamline compliance and support innovation in data management.

Alignment with other horizontal legislation

FIDA should be fully aligned with existing horizontal legislation, including the Data Act, the GDPR and DORA. Regulatory consistency is essential to ensure legal clarity, reduce compliance burdens and facilitate seamless financial data sharing across the EU.

Alignment with the Data Act

FIDA builds upon the Data Act, which provides a comprehensive horizontal framework for data sharing. Given that FIDA serves as a sector-specific vertical framework, it is crucial to maintain regulatory coherence between these legislative instruments.

Data processing and intra-group data access

Since the GDPR already governs the processing of personal data, FIDA should explicitly state that all legal grounds under Art. 6 of the GDPR remain applicable. We welcome the Council's clarification in Recital 48, which ensures that FIDA operates in compliance with the GDPR. To reinforce this, we recommend that the same clarification be included in both Recital 48 and Art. 6, recognising that different processing activities may rely on various lawful bases, including legitimate interest for fraud prevention and detection.

FIDA should not impose stricter requirements than the GDPR, as this would negatively impact technological and operational realities. For example, Art. 6(4)(f) of the Commission's proposal restricts intra-group data sharing by stating that only the entity acting as the data user within a corporate group may access customer data. This restriction would create unnecessary barriers and degrade customer experience. Given that the GDPR already establishes strong data protection controls, this article should align with the GDPR's existing safeguards.

Data transfers

FIDA should not introduce restrictions on third-party providers, as suggested in the Council's Art. 6(4)(h). Technical service providers are already regulated under both the GDPR and DORA, which require them to adhere to high security standards for data access and sharing.

This provision should be removed to prevent unnecessary restrictions on data transmission. Existing rules already provide sufficient safeguards for third-party data transfers, and additional limitations would hinder innovation, competition, and cross-border data flows.

FOR MORE INFORMATION, PLEASE CONTACT:



Federico Di Benedetto

Manager for Digital Transformation of Financial Services

federico.dibenedetto@digitaleurope.org / +32 493 12 34 88



Milda Basiulyte

Senior Director for Cyber, Infrastructure, Competitiveness and Digital Transformation

milda.basiulyte@digitaleurope.org / +32 493 89 20 59



Alberto Di Felice

Policy and Legal Counsel

alberto.difelice@digitaleurope.org / +32 471 99 34 25

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DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory environment that enables European businesses and citizens to prosper from digital technologies. We wish Europe to grow, attract, and sustain the world's best digital talents and technology companies. Together with our members, we shape the industry policy positions on all relevant legislative matters and contribute to the development and implementation of relevant EU policies. Our membership represents over 45,000 businesses that operate and invest in Europe. It includes 108 corporations that are global leaders in their field of activity, as well as 41 national trade associations from across Europe.