Datasheet

EU and East Asia Open Banking Readiness Cheat Sheet

Each country is developing its own plan for open banking. These vary in their timelines, but share the goal of reshaping how large enterprise banks work with FinTechs—and how they all collaborate with their customers.

Country/Region	Status	What to expect
EU	***Furthest along, with PSD2 laws all countries have to follow.***	PSD2 compliance is often a lot of work for banks, without much revenue return. But, done properly, it enables banks and financial institutions to create a new ecosystem and build a regulated BaaS (Banking as a Service) platform.
Hong Kong	***In the process of adding a new open banking requirement.*** Phase 1 & 2 are complete, laying the groundwork for open banking by ensuring quality of service (including standardizing data formats and other processes). Breaks between Phases 2 & 3 gave financial institutions time to evaluate their processes and prepare for new phases.	Phases 3 & 4 now are upon Hong Kong banks. These processes have higher risk and complexity since they include access to customer data and transaction history. Security may be a big risk.
Singapore	***Non-mandatory but widespread.*** Open banking is coordinated by the Monetary Authority of Singapore (MAS). Its organic approach to open banking is not mandatory, but Singaporean banks are embracing it, actively adopting APIs to build partnerships and participate in ecosystems.	Since Singapore's adoption isn't mandatory, MAS has introduced APIX (an API collaboration platform). The platform supports banks opening up their data and services, encouraging collaboration. For example, DBS's portal includes over 200 APIs to enable payment and loan innovation. Singapore's open process pushes banks to further extend their innovation and build new processes.
Malaysia	***Non-mandatory but widespread.*** The effort is led by Malaysia's central bank, Bank Negara Malaysia (BNM). Although not a mandate, most banks are using data for new analytics. The challenge is finding new revenue streams.	BNM has released policy documents and is actively promoting Malaysia's adoption of open banking initiatives. The goal is to encourage open APIs and third party developer involvement, without the driver of a specific business relationship with a particular financial institution. This has the potential to lead to rapid evolution.

Japan	***Not mandatory and encountering resistence.*** Started the open banking process through an amendment to the Banking Act of 2017, but it is not a requirement and is very slow.	The first push is to open up payments so FinTechs and banks can collaborate. But, since it is not mandatory, banks are negotiating ways to recoup the cost of open banking initiatives. This could make APIs cost prohibitive for startups and cause further delays.
Indonesia	***No open banking plan.*** Despite being a very technology literate nation with many young people doing everything online, Indonesia has not adopted a specific open banking plan. Indonesia's central bank, Bank Indonesia (BI), issued a blueprint through 2025 for open banking.	The first initiative is to ensure their open banking plan is standardized, not fragmented. Indonesia plans on building an open partner API that covers the standards on data, technical aspects and governance. This strategy differs from other regions: it is driven by a specific bank rather than a standards committee. The goal is a digital transformation of the industry to keep pace with population demographics.