

API Standardization Industry Group

Meeting Summary Report | Feb. 28, 2018





BACKGROUND

With its foundation in place, the API Standardization Industry Group used the second half of 2017 to map out its plan to bring API standardization to the financial services industry. Having formally announced the 16 API use cases the Group would initially solve for, the Group also identified the **first five** it would develop for release to the industry. While work to bring these APIs to reality continued through the second half of 2017 and into early 2018, the Group reconvened in late February in San Francisco to collaborate, and engage in decision making and project planning to drive still further towards the goal.

FIRST FIVE API USE CASES

- Account Validation*
- Account Balance/History
- Get Bank Contact Information*
- Interoperability
- Transaction Status

* Development Prioritization

FEBRUARY API STANDARDIZATION INDUSTRY GROUP MEETING

On Feb. 28, 2018, 75 participants of the API Standardization Industry Group, representing 45 organizations, convened at Google's YouTube Campus in San Francisco. The goal of the meeting was to showcase progress on API development efforts and supporting technology, and announce new initiatives to help accelerate API development and standardization efforts.

API DEVELOPMENT STATUS

To spearhead development of the five priority APIs, the API Standardization Industry Group initially developed three internal workgroups - the API Design Workgroup, the Security Workgroup, and the Business Analyst Workgroup to design the actual APIs, develop a security framework for the APIs, and outline the functional requirements of each API. The workgroups established criteria, defined requirements, and documented use case possibilities, among other activities, which ultimately resulted in a further prioritization of the slate of five APIs.

To help ensure timely delivery and the greatest opportunity for learning, which can inform future API identification and development, the workgroups identified API: Account Validation and API: Get Bank Contact Information as those that will be finalized first. Additionally, the workgroups refined the requirements of both APIs. In its initial release, API: Account Validation will only be for ACH payments and will deliver validation information similar to the details provided through the ACH Network today. API: Get Bank Contact Information will be developed to provide contact information of bank personnel responsible for handling fraud issues only. Contact information for personnel responsible for other areas within the bank could be enhancements added to the API in the future.

Confirmed as the priorities by the full API Standardization Industry Group during the meeting, API: Account Validation and API: Get Bank Contact Information will be developed per the refined specifications and released for testing and use early in the second quarter of 2018. After release, the API Standardization Industry Group will reprioritize the remaining API efforts based on learnings and time-to-market expectations.



TECHNOLOGY SUPPORTING API EFFORTS

To ensure a proper testing environment, access to resources and documentation to support API testing, and a virtual “home” for the **API Playbook**, the API Standardization Industry Group announced in late January that it would be working with its partners, Accenture and Apigee, to create and deploy a new microsite with a developer portal and sandbox for the industry. During the meeting, attendees were able to view a test version of the nearly completed site, which will be robust in its functionality and information. The site will contain general industry information, resources, and documentation on APIs and the API Standardization Industry Group. The site will also contain a developer portal, for registered developers only, which will contain the actual APIs. Registered developers will also be able to add their own apps, allowing for testing with the actual software they are building or leveraging. Additionally, the site will host a forum where developers communicate and collaborate. And, finally, the site will provide a sandbox in which developers can test the APIs.

The microsite, developer portal, and sandbox will be made available to the industry early in the second quarter of 2018. Once launched, the expectation is that the microsite will serve as a tool to help accelerate adoption and use of the APIs. Upon launch the site will only contain information and resources related to API: Account Validation and API: Get Bank Contact Information. However, the site will grow and evolve over time as additional APIs are identified and released.



API PLAYBOOK

The API Playbook will be a virtual resource for the financial services industry, outlining the value of API standardization, the opportunities and benefits of adoption, and providing the use cases and actual APIs, as well as the governance and standards to support adoption, consistency, and security.

NEW INITIATIVES TO ACCELERATE API STANDARDIZATION AND ADOPTION

In addition to the microsite, another initiative was announced at the February meeting that will support API standardization and adoption. During the meeting, NACHA and the Interactive Financial eXchange (IFX) Forum announced its intention to combine. IFX Forum is an international not-for-profit industry association whose mission is to develop the IFX business message specification and promote its adoption as an open, interoperable standard for financial data exchange. NACHA and the IFX Forum recognized the value in aligning the API development priorities of both the API Standardization Industry Group and the IFX Open Banking APIs Working Group. The IFX Open Banking APIs Working Group is developing a standardized way to address the growing impetus for banks to provide more open access to their data in place of proprietary APIs being developed by financial institutions and vendors. Given the complementary efforts of the groups, the organizations saw a merger as an opportunity to streamline efforts to accelerate and strengthen API standardization to support the global financial services community.

With this combination, IFX Forum will retain its global and nonprofit status, and operate as an independent group within and supported by NACHA, with its own governing board. Finalization of the combination took place at the end of the first quarter of 2018 and IFX Forum is now operating as an independent operating entity under NACHA.

LOOKING FORWARD

With so many of the key pieces in place or in final stages of development to jump-start API standardization and adoption, the API Standardization Industry Group took some time near the end of the meeting to focus on specific topics to help finalize and ensure timely release of the near-term deliverables.

As such, the larger group divided into four breakout groups to discuss the following:

- Standards and Formats
- ISO 20022 Mapping and JSON
- Pilots and Proof of Concepts/Routing and Adoption
- Communications and Marketing



The Standards and Formats breakout group focused on defining the technical standards for API: Account Validation and API: Get Bank Contact Information. Building upon previous work completed by the API Standardization Industry Group and the collective experience of the breakout group participants, the group identified some of the key specifications necessary for establishing the technical standards for the two APIs. Over the coming weeks, the API Standardization Industry Group will build on this framework, which will guide the continuing development and finalization of the two APIs.

The **ISO 20022 Mapping** and **JSON** breakout group reviewed the use case field requirements for API: Account Validation and API: Get Bank Contact Information and outlined the methodology for mapping ISO 20022 data elements and components for both APIs. Additionally, the group considered the design principles needed to support both APIs and how they would be applied using the associated JSON structure. Work from this group will be used to build out the actual APIs.

ISO 20022 MAPPING

As a global messaging standard, the API Standardization Industry Group will leverage ISO 20022, when possible, in the creation of APIs.

JSON

As one of the most common formats for data interchange, and widely used in the developer community, the API Standardization Industry Group will use JSON for API development.

LOOKING FORWARD CONT.

The Pilots and Proof of Concepts/Routing and Adoption breakout group brainstormed how to build a successful pilot/proof of concept model and discussed specific opportunities for API: Account Validation and API: Get Bank Contact Information. The group also walked through possible routing scenarios for the future, including how users will be able to determine who is offering APIs and methods API consumers could use to call APIs, and brainstormed methods to build adoption as APIs are released. The ideas generated from the discussion will be formalized and used to evaluate potential pilot/proof of concept opportunities and inform microsite enhancements and future communications and marketing efforts.

The Communications and Marketing breakout group reviewed resources currently in development that will support education and awareness of the API Standardization Industry Group efforts and the importance of standardization for the financial services industry. The group also discussed additional resource needs to continue awareness and understanding and support industry adoption. The API Standardization Industry Group will be releasing new resources and materials in the next few weeks and months in an ongoing effort to raise awareness, educate, and ultimately further standardized APIs.

The industry is currently experiencing a significant shift in business models as organizations transition to digital and mobile channels or incorporate these elements into business strategy – and leverage APIs to do so. And the efforts of the API Standardization Industry Group are supporting this shift. Through its initial API development efforts, establishment of critical infrastructure and resources, and governance structure, the Group will enable rapid deployment and adoption of standardized APIs, supporting the evolution of financial services and open banking. As such, the next few months are a critical time for the API Standardization Industry Group and a significant occasion in the U.S. financial services industry as the beginnings of API standardization take shape.



UPCOMING API STANDARDIZATION INDUSTRY GROUP MEETINGS

April 29, 2018

San Diego Convention Center
San Diego, CA



MEETING PARTICIPANTS

Accenture	FRB Chicago
Accuity	Gulf Management Systems
ACI Worldwide	IBM
ADP	IFX Forum
Affirmative Technologies	Kyriba
Alkami Technology	MicroBilt
Axway	mSHIFT Inc.
Bank of America Merrill Lynch	NACHA—The Electronic Payments Association
BB&T	NEACH
BillGo	Payments Canada
BillingTree	Payrailz
CGI	Pelican
CitiBank	PLAID
Citizens Bank	PNC Bank
The Clearing House	QCHEQUE
Commerce Bank	RSA
D3 Technology Inc.	Silicon Valley Bank
EPCOR	UMACHA
FAPI-D LLC	Volante Technologies
First Data	Wallace Consulting
FIS	Wells Fargo
Fiserv	XMLdataion
FI.SPAN	
FRB Atlanta	

API STANDARDIZATION INDUSTRY GROUP LEADERSHIP TEAM



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Alex Yang

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ABOUT THE API STANDARDIZATION INDUSTRY GROUP

The API Standardization Industry Group is a diverse group of organizations and individuals working to support advancement and use of standardized APIs within the U.S. financial services industry.

The Group is made up of leaders from financial institutions, fintechs, businesses, service providers, standards organizations, and others, all of whom have a desire to further efforts to standardize the use of APIs in the U.S. The API Standardization Industry Group is sponsored by NACHA's Payments Innovation Alliance.

FOR MORE INFORMATION

For more information about the API Standardization Group or to join, visit nacha.org/api-standardization-industry-group.



ABOUT NACHA'S PAYMENTS INNOVATION ALLIANCE

The Payments Innovation Alliance, a program of NACHA, brings together diverse, global stakeholders to support payments innovation, collaboration, and results through discussion, debate, education, networking, and special projects that support the ACH Network and the payments industry worldwide. By organizing content and focus across all payment areas, including emerging payment technologies, electronic billing and presentment, mobile, payment security/risk, check conversion, and global payments, the Alliance seeks to grow and advance payments and payments technology to better meet and serve the needs of the evolving industry. For more information and to learn how to join, visit nacha.org/payments-innovation-alliance.

ABOUT NACHA—THE ELECTRONIC PAYMENTS ASSOCIATION

NACHA—The Electronic Payments Association is nonprofit organization that convenes hundreds of diverse organizations to enhance and enable electronic payments and financial data exchange within the U.S. and across geographies. Through development of rules, standards, governance, education, advocacy, and in support of innovation, NACHA's efforts benefit the providers and users of those systems. NACHA leads groups focused on API standardization, authors the Quest Operating Rules for EBT and is also the steward of the ACH Network, a payment system that universally connects all U.S. bank accounts and facilitates the movement of money and information. In 2016, more than 24 billion transactions valued at \$41 trillion were moved via ACH. Visit nacha.org for more information, and connect with us on LinkedIn, Twitter, Facebook and YouTube.