

# Joining the open finance wave:

How regulators in the Middle East can act  
to fast-forward adoption in the region

 accenture

 Microsoft

# The global push to open finance, especially for central banks and regulators, is continuing

**But the Middle East<sup>1</sup> must speed up its efforts if it is to take full advantage of the opportunities open finance can generate for the entire market.**

To avoid putting themselves at risk, local regulators should take an active role in driving the open finance agenda. A well-managed agenda would promote a more dynamic, innovative, intelligent and competitive supporting financial ecosystem. In this research-based report we outline key lessons from open finance initiatives around the world to help Middle Eastern regulators get underway.

# The worldwide push for open finance is growing stronger

**The worldwide push for open banking, open finance and, ultimately, an open data economy continues to grow stronger. COVID-19 has only accelerated this trend.**

In its 2021-2022 work program, the Bank for International Settlements (BIS) Innovation Hub marked 'open finance' as one of its six priorities.<sup>2</sup> With 63 central banks and monetary authorities amongst its membership, including those of the United Arab Emirates (UAE) and Saudi Arabia, we can expect this to be an item high on authorities' agendas.

In the Middle East, two phenomena support quicker local adoption. **First**, national governments such as the UAE, Saudi Arabia and Qatar have placed key digital initiatives at the core of their sweeping national transformation agendas.

**Second**, consumers in the region are mostly digital natives—people who have grown up in the information age— and they expect technology to improve their everyday lives.

The Accenture 2020 [Global Banking Consumer Study](#) found that most consumers in both Saudi Arabia and the UAE are 'pioneers'<sup>3</sup> —risk-takers who are tech-savvy and hungry for innovation.

Open banking, and more broadly, open finance, is where the market is headed and many of the necessary ingredients exist to accelerate this shift. To date, more than 87% of countries have established some form of open APIs in the banking industry—the necessary connector.<sup>4</sup>

And Accenture research points to an estimated \$416 billion in banking revenue being at stake globally in the transition to the open data economy.<sup>5</sup>

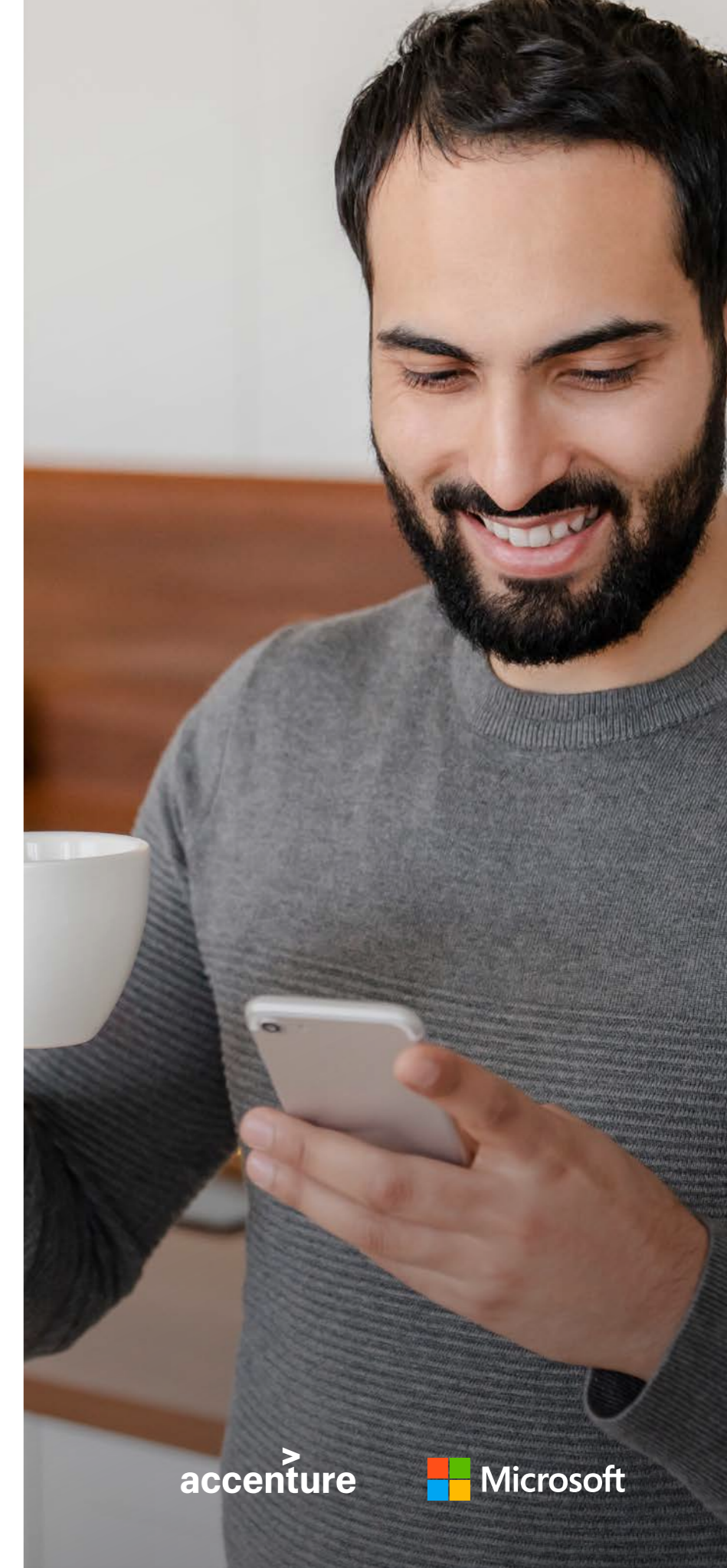


Figure 1: **Open banking initiatives are just a small piece of the larger open data economy.**

### **Open Banking**

Open banking allows customer to share access to their banking data with trusted third parties via APIs. In turn this provides customers with a better banking experience.

### **Open Finance**

Building upon open banking, open finance is a data-sharing model where customers can agree to share the data from any transaction that involves the exchange of money (i.e. utility companies, telecom providers, insurance, retail, etc.).

### **Open Data**

Not restricted to financial or transactional data, open data and data collaboration allow organizations to share and access many types of data. This enables them to build products and solutions that improve experiences and allow them to solve real-world problems.

Sources: Investopedia, Data Driven Investor, Microsoft



# But so far, the Middle East has been slower to adopt than other regions

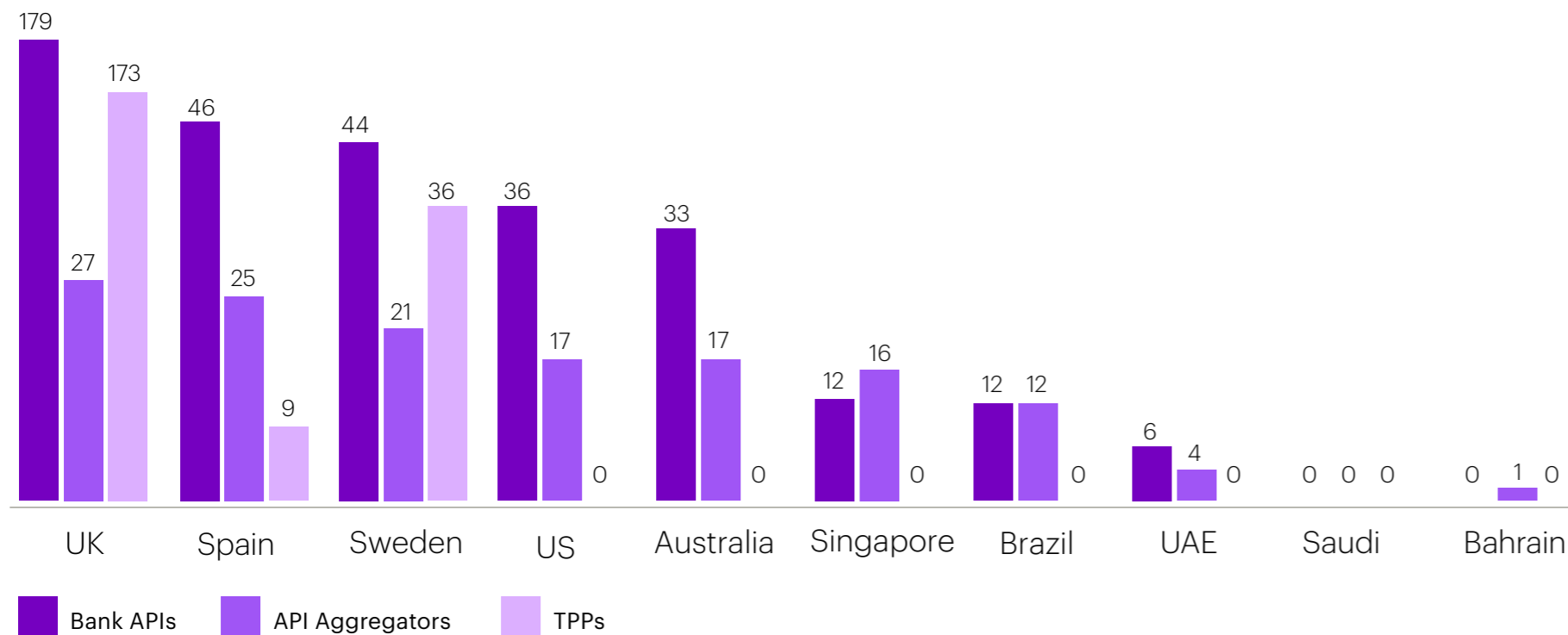
**Many regions viewed open finance as more of a regulatory requirement, in the way the European Union (EU) viewed PSD2. However, open finance has evolved to encompass a plethora of opportunities for many industries as well as a mechanism for enhanced customer experiences and increased efficiency.**

Yet, not all regions are keeping up, and the Middle East is one of them. Data from [Open Banking Tracker](#) indicates a significant lag in terms of bank APIs, API aggregators and third-party providers (TPPs) in the Middle East compared to elsewhere—for example, as of December 2021 there were no registered TPPs in the region.

**During the first three months of open banking in Brazil, 71 million successful API calls were registered.<sup>6</sup> Moreover, a study by the IMF has concluded that Brazil is Latin America's largest and fastest-growing fintech hub with more than 750 fintech companies at year-end 2020. The number of fintech deals in Brazil increased by 28% between H1 2020 and H1 2021.<sup>7</sup>**

Figure 2: **Countries in the Middle East lag other regions in open finance maturity (the number of bank APIs, API aggregators and TPPs).**<sup>8</sup>

Number of bank APIs, API aggregators and third-party providers as of February 22, 2022



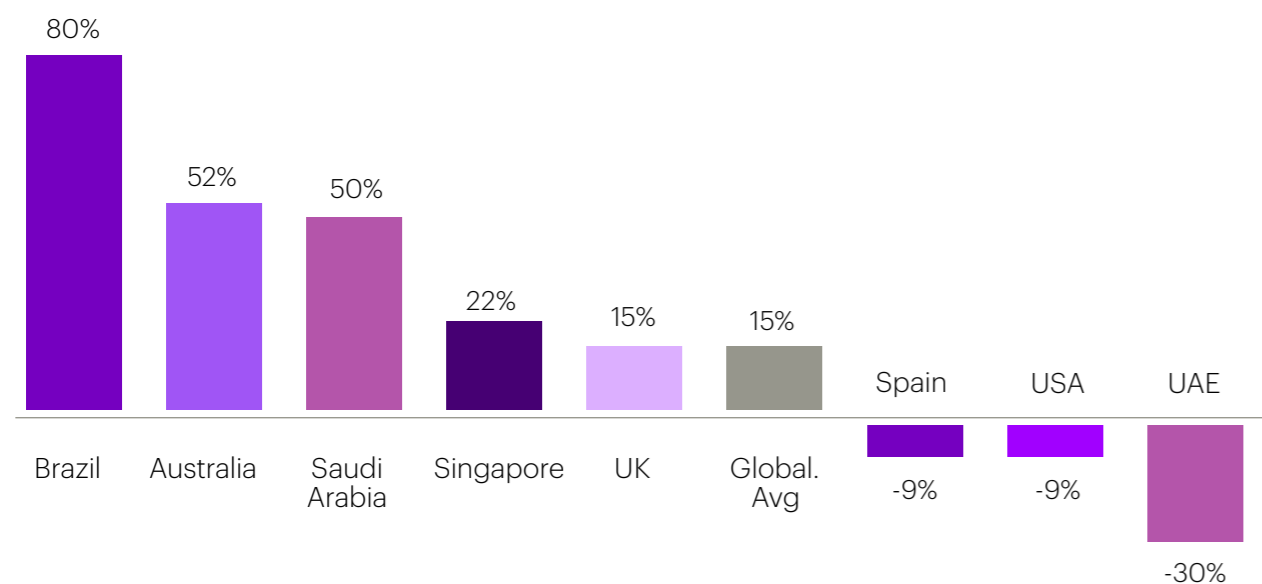
Open finance maturity remains low in the region despite growing regulatory involvement.<sup>9</sup> Bahrain is the most advanced—Central Bank of Bahrain adopted open banking rules as early as 2018 and launched the Bahrain Open Banking Framework in October 2020, which is now in its second phase.<sup>10</sup> In Saudi Arabia, regulatory approval was more recent, and the regulator is currently in the process of rolling it out with the expected go-live date in 2022. Since 2020, in the UAE, the Dubai Financial Services Authority (DFSA) has granted select open-banking-related licenses that are restricted to activities within the Dubai International Financial Centre (DIFC)—yet more formal regulation from the central bank is still lacking.<sup>11</sup>

**In early 2021, the Saudi Central Bank (SAMA) announced the issuance of the Open Banking Policy,<sup>12</sup> which articulates the main objectives of implementing open banking in the Kingdom and its potential positive effects on the financial sector. The intention is that the Policy will help SAMA pursue the strategic objectives of the Financial Sector Development Program, including promoting innovation and trust within the sector, reinforcing competition and raising efficiency. With the support of market participants, SAMA plans to go live with open banking in early 2022.**

**In countries like the US, Brazil and Australia, there has been a more systematic approach to open banking. This has attracted more fintech companies, helping to push the open banking agenda forward. For example, the Central Bank of Brazil has established various councils to license, supervise and govern the different types of TPPs, creating a clear governance structure that has helped enable fintechs and led to more deals.<sup>13</sup>**

Figure 3: **Brazil and Australia are experiencing the highest growth in fintech deals, followed closely by Saudi Arabia, whilst the UAE is falling behind.**

Growth in the number of fintech deals 2020-2021



This slow rate of progress matters. It’s putting the countries in the region at risk of missing out on the numerous benefits open finance enables for the entire ecosystem. Some of these benefits include all stakeholders in the market profiting from data being shared on a constant basis and in real time. For central banks and regulators, increased data transmission, via an integrated platform operated by the regulator, will allow for a cleaner and more cost-effective reporting and compliance process.

Open finance, enabled and managed by the authorities, lends more agility in responding to events in the market. As the BIS noted in a June 2020 report, “central banks in advanced economies reacted swiftly to the COVID-19 pandemic, deploying the full range of crisis tools within weeks.”<sup>14</sup>

However, in an advanced open finance system, central banks can make necessary decisions in a fraction of that time. Additionally, the cross-sharing of data enhances the visibility between the central bank, businesses and consumers—a crucial connection, especially in times of crisis.

Moreover, authorities in the region are driving digitization and transformation policies that put customers and businesses first, such as the push to reduce cash-based transactions by supporting digital payments. For example, Saudi Arabia’s Financial Sector Development Plan (FSDP), a key component of Vision 2030, aims to have 70% non-cash transactions in the country by 2025.<sup>15</sup> Similarly, the UAE’s continued progress toward a cashless economy recently resulted in the country being ranked 8th in the world of the most cashless economies.<sup>16</sup>



Figure 4: **Open finance enhances already existing capabilities while also creating new capabilities.**

#### **Improve Existing Capabilities**

- Increase speed and efficiency of regulatory reporting
- Respond faster to market events and crises
- Accelerate shift to cashless
- Increase financial inclusion
- Improve customer experiences
- Offer additional options for small and medium-sized enterprises to obtain financing
- Enhance ecosystem collaboration

#### **Create New Capabilities**

- Develop new revenue streams for both market participants as well as the central bank
- Allow various institutions to access historical consumer data that is not otherwise available to them
- Forge new pathways for collaboration amongst participants in the ecosystem
- Use data to respond to events proactively versus reactively

**Sources:** Accenture Research analysis



# A regulator-driven push is needed to drive open finance adoption in the region

**In markets that have sought to accelerate their open finance agenda, a regulator-driven approach has got things moving more quickly.**

This has been especially true in economies where governmental institutions play a more enabling role in the financial ecosystem. A growing number of countries are realizing the advantages of the regulator-driven approach as opposed to leaving it to the industry players to drive the agenda. A regulator-driven approach allows the market participants to reap the benefits, and global examples have shown that, overall, adoption of open finance is faster.

Even in the US, where the industry-driven approach has been dominant, there has been a recent move towards a more regulator-driven approach with President Biden's July 2021 Executive Order.<sup>17</sup>

In particular, the Order encourages the Consumer Financial Protection Bureau to craft rules in support of open banking, with the goal of making it easier for consumers to safely switch financial institutions and use novel financial products while maintaining privacy and security.

If regulators in the Middle East want to speed up the rate of progress, they too will need to proactively drive the open finance agenda. They will take on the role of facilitators of the open data economy and drive adoption of open finance services. They should work with industry players to motivate them to move forward on this agenda despite the existence of multiple priorities. And they will balance the need for more innovation with the need for protection of all ecosystem participants.

**In a Finastra survey, more than 8 in 10 respondents from the UAE agreed that open banking is the future of banking, and that open finance is the natural evolution of open banking.<sup>18</sup>**

## A regulator-driven push is needed to drive open finance adoption in the region (continued)

This is an opportune time to do it. Why? First, because the appetite for open finance is growing in the Middle East. Research by Finastra shows bankers in the region have a positive view of open finance, with more than 9 in 10 agreeing that it will provide a wealth of opportunities for the financial ecosystem—in addition to potentially bringing fairer and more equal financial services.<sup>19</sup>

Additionally, more than 3 in 4 banking customers in the UAE and Saudi Arabia would be willing to share ‘some’ or ‘a lot’ of data in exchange for faster and easier services (78%) and advice that is more relevant to their personal circumstances (76%).<sup>20</sup> Moreover, according to Finastra, 88% of banks in the UAE expect to enable open banking by the end of 2021—and to date many of the country’s top banks have made the necessary adjustments.<sup>21</sup>

The second reason why this is a good time to accelerate the introduction of open finance is that several regulatory initiatives are already underway in other countries, which means Middle Eastern regulators can learn from their global counterparts to ensure an efficient and successful implementation journey. This is what bankers in the region expect them to do.

Research by the Arab Regional Fintech Working Group shows that banks already regard regulators as the enablers of the move towards open banking and innovation.<sup>22</sup> Thus, there is a growing case for central banks in the region to push forward more proactively on the open finance agenda.

**In the absence of a regulatory push, local players are making strides on their own toward open finance. In 2017, the Dubai Financial Services Authority (DFSA) launched its open banking sandbox that enables developers and fintechs to ideate, build APIs, and create minimum viable products which are PSD2 compliant.<sup>23</sup>**

**The Innovation Testing License Program enables approved firms to test new and innovative financial products, services, and business models in and from the Dubai International Financial Centre (DIFC) within a restricted regulatory environment.<sup>24</sup>**

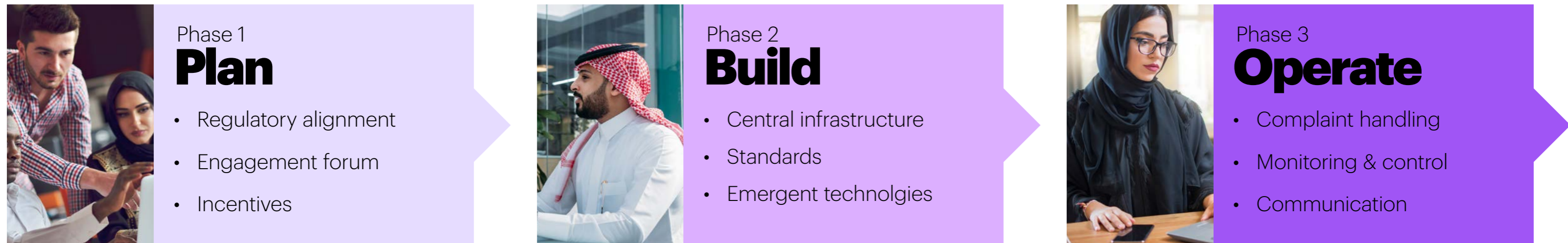
**The initiative is part of the broader 2015 UAE National Innovation Strategy that places ‘innovative products and services’ amongst other key constituents of innovation such as ‘infrastructure’ and ‘knowledge and technology’.<sup>25</sup>**

# Learn from global peers and speed up open finance adoption

**How can Middle Eastern central banks act to accelerate the adoption of open finance in the region? How can they move from the decision to support open finance to executing on this aim in the most efficient way possible?**

Our conversations with the very people involved in the implementation of open banking initiatives around the world suggest there are key lessons for each stage of the journey—from initial decisions to execution.

Figure 5: **Middle Eastern regulators should focus on actions in three distinct phases to enable the open finance agenda locally.**



# Phase 1 **Plan**

## **Laying the strategic foundations for open finance success**

In the very early stages, the regulator should build out a clear roadmap of what it wants to achieve and the timeframes for each goal.

At least three actions are key here.



# 1. Regulatory alignment

The nature of open finance introduces the need for additional licensing requirements, which the regulator should designate based on the different types of activities in the system. Additionally, open finance should be aligned with other regulatory initiatives in the country or region.

In both Australia and the EU, for example, consumer protection legislation was implemented in conjunction with open banking legislation to ensure consumer data is kept safe. More specific regulation related to banking and consumer financial data is still needed. Also relevant to legislators are issues relating to the promotion of fintech companies (e.g., the establishment of a fintech sandbox).

Adding on, the appropriate governing bodies and committees should already be designated. For instance, a bankers' association has been key in managing consensus on the open banking and open finance agendas in other markets.

It is also important to ensure that technology that is foundational to open finance has been approved and adopted—such as digital identity and instant/real-time payments.

**While Sweden initially implemented PSD2 without any changes, the legislator has since introduced rules stipulating that online platforms that enable consumer payments may not offer credit as the first payment alternative, nor should that be the default option where there is an option to pay in other ways.<sup>26</sup> This rule was introduced in July 2020 to mitigate a further increase in household debt.**

**In November 2020, industry advancements prompted Spain to enact a digital transformation law related to the financial ecosystem in order to support open banking initiatives.<sup>27</sup> The law establishes and governs a sandbox that will offer a controlled testing environment for financial services firms to implement innovative technology projects.**

**The need for this type of solution had been growing since the implementation of PSD2, given the strong rise in fintech activity (+26% in 2019, and +50% in 2020).<sup>28</sup> The environment is intended to be a safe testing environment, ensuring that the stability of the financial system is maintained and that potential risks are eliminated or adequately mitigated.**

## 2. Open finance engagement forum

The regulator should set up an open finance engagement forum for all market participants. It should have one central authority tasked with the implementation of open finance and, ultimately, the roadmap toward the open data economy.

This forum is key to facilitating collaboration and consensus from the participants, helping to avoid potential issues down the line. Markets that have adopted this type of body have, for example, seen a better ability to align on common goods topics like consumer protection.

The forum can be helpful in discussing and agreeing on software standards, industry guidelines and more. In fact, a common recommendation for the European countries that lack this type of forum is to set it up to accelerate adoption.<sup>29</sup>

**A Deliberative Council, composed of six representatives of financial associations and one independent councillor, oversees the definition of Brazil's open banking technical and operational standards.<sup>30</sup> This council receives proposals from different working groups, comprising members from all associations and the Brazilian Central Bank. This ensures that the Central Bank considers a variety of viewpoints before proposals are submitted for regulatory approval.**

**The success of the Singapore Financial Data Exchange (SGFinDex) was in part due to market participants' ability to collaborate positively. The Association of Banks in Singapore (ABS) worked diligently to ensure various participants had seats at the table during the planning phase. The outcome was a more comprehensive approach that ensured market fit and acceptance.<sup>31</sup>**

### **Key issues for the engagement forum to consider and take a stand on:**

- (i) What common open API standards do banks and TPPs need to have in place to enable secure and stable connectivity between them (technical standards)?
- (ii) What TPP certification or licensing standards would ensure that TPPs are properly managed and adhere to data and security best practices?
- (iii) What consumer protection standards would ensure that consent, authorization, data usage and dispute resolution are always prioritized?

## 3. Incentives

The planning stage invariably includes serious thinking about how to best incentivize players to drive the open finance agenda as industry opposition—especially from the big banks—can be a key barrier. Working with the ecosystem, it's important firstly to encourage innovation based on what has already been built and to illustrate for participants how the initiative can drive benefits. Incumbent banks might, for example, see it as a compliance exercise and a threat to their business, rather than as a chance to easily create new revenue-generating API products and to collaborate with other providers to create unique new value propositions based on new functionalities.

It is also advantageous for the regulator to adopt an entrepreneurial rather than a dictatorial mindset—encouraging a greater volume and variety of transactions increases revenue, from which everyone benefits. Led by the Monetary Authority of Singapore (MAS), SGFinDex created the necessary technological infrastructure to support the ecosystem as well as a coordinated approach to facilitate adoption.<sup>32</sup>

Marketplaces like SGFinDex potentially pave the way for more sectors to join the open collaboration bandwagon—from retail, to logistics, to healthcare—which would serve to amplify the value for all involved.

To encourage open finance adoption the regulator could, for example, work with ecosystem participants to understand what additional value-added services would be most useful, while leaving some leeway for the banks to decide how best to commercialize these services. Moreover, regulators could consider fully licensing all payment providers, as is the case in Singapore, where all financial institutions and fintechs are required to be licensed payment providers or licensed market intermediaries. The regulator should at least set detailed guidelines on what is expected of TPPs and banks; this would reduce uncertainty among ecosystem participants and provide more incentive for participation.

**In Australia, the structure has been set up in such a way that players are incentivized to innovate and launch new products and services, thereby helping achieve the ultimate objectives of the country's open banking agenda.<sup>33</sup>**

**Banks need to support payment requests from payment service providers but they themselves get to determine the rules under which they can charge, build access, and innovate—which incentivizes greater participation. Moreover, the Data Standards Body (DSB) was established to help champion the open banking system by:**

- Developing technical and consumer experience standards and customer experience guidelines for the implementation of the Consumer Data Right—an opt-in system for consumers to share data with businesses.
- Consulting with government, industry and consumer groups on the development of standards.
- Providing knowledge and support on how to put standards into effect.

# Phase 2 **Build**

## **Building an infrastructure that can support open finance**

During the building phase, technology choices take center stage





# 1. Standardized and secure central market infrastructure

The regulator should not just provide guidelines on open finance, but also create the platform through which market players can interact and connect in a transparent and reliable manner. In the most successful markets, regulators have established one central market infrastructure that players can interact with.

For example, the SGFinDex is a model for data encryption and API standards. A standard platform or service reduces barriers to entry and allows ecosystem players to focus on innovation. Moreover, security and high performance guarantees can be built in to gain the trust of the ecosystem players.

In Australia, the New Payments Platform (NPP) scheme was established to serve as a coordinating body that creates value for everyone in the ecosystem by allowing banks to commercialize their platforms.<sup>34</sup>

In Singapore, the regulator created the API Exchange (APIX) which is an API platform which allows financial institutions the ability to easily connect and collaborate on design experiences through APIs.<sup>35</sup>

Further, when Brazil was setting up its infrastructure, it was emphasized that open finance is not simply a regulatory and technological framework—these components merely facilitate how the market shifts toward a more consumer-centric financial system.

**The Australian approach allows access to the NPP through a single financial institution, which is connected to a wider network.<sup>36</sup> This means that TPPs don't have to spend valuable time registering individually with every single bank. Managing the costs for TPPs to access the network in this way encourages smaller companies to participate, which in turn supports competition and innovation.**

## 2. Standards

Standards or guidelines covering API standards, customer authentication standards, information security standards, user experience guidelines, data specification standards and operational resilience standards should be agreed upon. A consistent API management platform for consumers and providers is becoming a key enabler and accelerator of the open data economy.

Discussions in the engagement forum on the API standards are therefore an important aspect of the open finance project. As to who should participate in these discussions, experience suggests that it might be worthwhile initially to limit participants to the big banks, rather than also involving all fintech players from day one.

However, regulators need to prepare for these discussions taking a long time. In other markets, discussions have taken anything from 2 - 4 years or more.

In this regard, as speed might be a priority, Middle Eastern regulators might want to take inspiration from standards developed elsewhere and piggy-back on those to save valuable time.

**Australia has adopted a set of National API Design Standards (NAPIDS).<sup>37</sup> These enable developers who are building APIs to quickly reference pre-agreed, best practice design patterns, and to implement their APIs based on these same standards. In this way, the common design standards simplify the process and accelerate API uptake and use.**

## 3. Emergent technologies

Many digital technologies have wide-ranging use cases in the financial sector, including supervisory technology (suptech), regulatory technology (regtech) and distributed ledger technology. In addition, there are several capabilities that will increase the efficiency and benefits of open finance:

- Machine learning (ML) and artificial intelligence (AI): Many of the technologies revolutionizing the business landscape promise to enhance the efficiency of the finance sector as well. ML and AI capabilities are predicated on access to large streams of data, and open banking—and open finance more broadly—is further fueled by these capabilities. The essence of open finance is the sharing of data within the ecosystem. The European Banking Association’s Open Banking Working Group proposed a collaborative approach, the key to which is its Triple A model which covers the accessibility, availability and analysis of data.

This approach enables financial institutions to join forces in using AI for data analysis, which improves the efficiency and resiliency of the overall financial system.<sup>38</sup> These collaborative systems would allow market participants to jointly tackle common issues such as cyber security, improving compliance and regulatory processes, as well as the overall efficiency of the system.

- Cloud infrastructure: The benefits of adopting cloud as part of the digital infrastructure include flexibility, infinite scalability and control choices as well as various capabilities that support efficiency, accessibility, cost savings, security and disaster recovery.<sup>39</sup> Additionally, cloud helps to enable ML and AI, capabilities that cannot be fully leveraged when using legacy systems.

**In Singapore, the SGFinDex platform aggregates customer data from banks and insurers and controls how that information is accessed by businesses in the market. In practice, these institutions can access specified customer data to provide services, but only when strict conditions are met, including customer consent to data sharing and adherence to standards on cyber security.<sup>40</sup>**

**The tech-forward city state emphasizes that to grow the digital economy, the government has outlined the importance of cloud native architecture to enable future services which are envisioned to be end-to-end, frictionless, anticipatory and empathetic. This architecture will provide “easier access to emerging technologies that make it more cost-effective and scalable for companies, and meet customers’ needs in a more agile manner.”<sup>41</sup>**

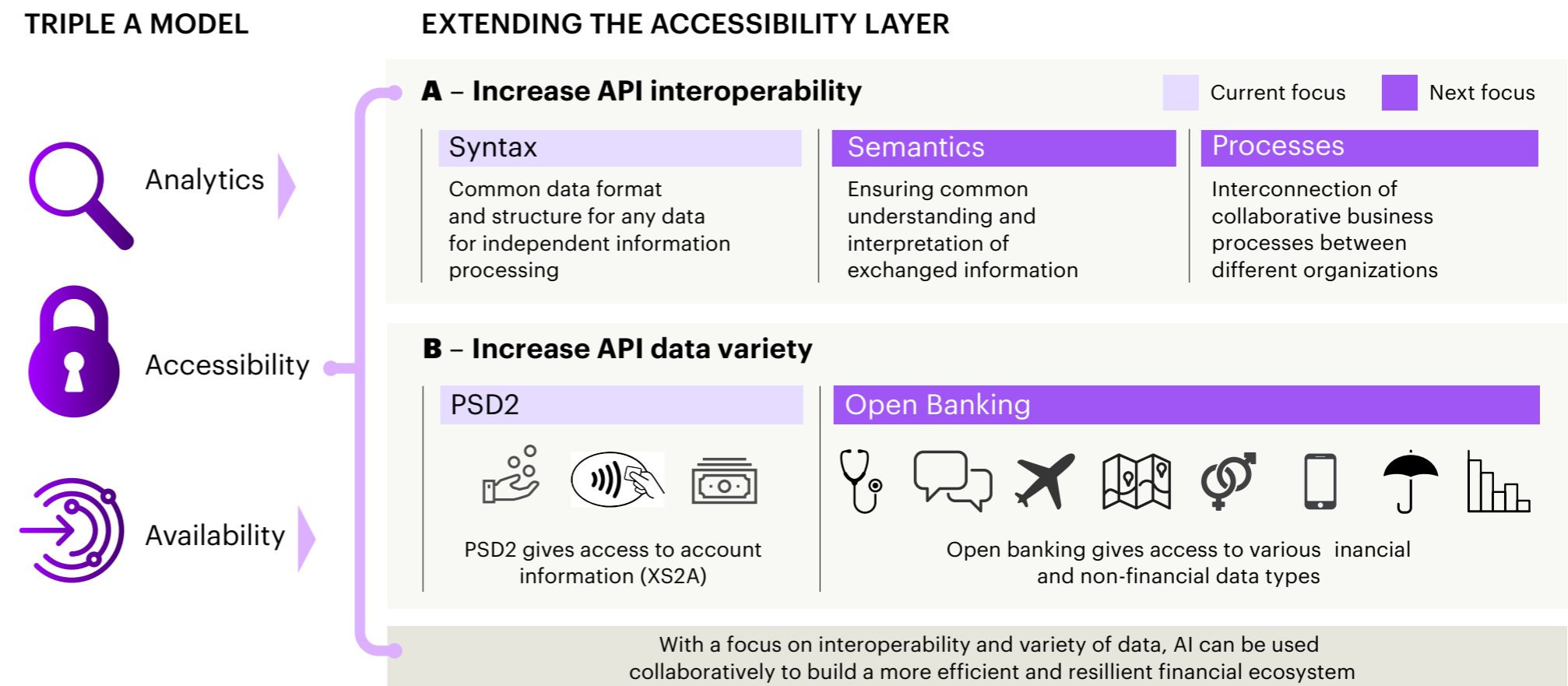
### 3. Emergent technologies (continued)

The open finance agenda also needs guidance and an agreement on the use of cloud technology in three key areas: accountability, privacy and protection. First, the guidance should, for example, specify who should be held accountable for risks stemming from outsourcing and third-party dependencies. It might, however, also choose to identify several key third-party cloud providers as critical and require them to meet specific resilience standards.<sup>42</sup>

Second, regulators must consider data privacy and protection laws as well as their country's cloud-first policies. When developing guidelines on open finance, regulators must give thought to how these laws and policies may affect the interaction between the public and private sectors. Lastly, another important consideration is the nationalization and licensing of an in-country cloud provider to process, manage and store sensitive financial data.

**Singapore's MAS has, together with the ABS, co-created an easily accessible implementation guide for financial institutions to use when they enter cloud outsourcing arrangements.**<sup>43</sup>

Figure 7: **Extension of the Triple A model: Supported by the capabilities of open banking, financial institutions can leverage the full potential of AI.**



Source: EBA

Phase 3

# Operate

## Operating the open finance initiative with success

Finally, we have the operating phase. Here are some important operational considerations that become relevant once the open finance initiative has been more widely launched.



# 1. Complaint handling

**The regulator should set up the infrastructure and processes to deal with complaints relating to open finance. In successful markets, regulators have established dedicated complaint channels that can serve this purpose.**

Consider, for example, the Dispute Management System set up in the UK which allows members of the open banking ecosystem to securely connect with other players to manage cases in one easy-to-use online portal.<sup>44</sup>



## 2. Monitoring and control

The regulator would need to have the capability to register and monitor TPPs as well as the status of API availability and their adherence to legal requirements. Moreover, the regulator needs to have the tools and technology to be able to control and restrict data access as needed to protect privacy.

In the standard case, it's easiest for the regulator to keep this service in-house and set it up as a service that's available on-demand. Moreover, control mechanisms are essential to make sure that policies and regulations are adhered to. Ideally, the regulator sets up a standardized model for these controls to make the process as smooth as possible.

This means there are clear enforcement steps if breaches happen. Doing so helps ensure that open finance customer journeys are streamlined, and adoption encouraged.

As outlined in the benefits for central banks and regulators, having more granular real-time or near-real-time data available allows the controller to act quicker.

The Open Banking Implementation Entity (OBIE) outlines four services that effectively illustrate how local regulators could facilitate complaint handling, monitoring and control and communication.

### **The Open Banking Implementation Entity (OBIE) in the UK provides critical services and infrastructure to the ecosystem in four important ways:<sup>45</sup>**

1. Developing and operating the OBIE Directory, which is the trust framework that sits at the heart of open banking.
2. Providing tangible technical assistance to all ecosystem participants, including financial institutions, pre-paid and credit card providers, and TPPs—from certification and on-boarding through to business-as-usual support.
3. Maintaining the highest principles of security and counter-fraud within the ecosystem and providing an information-sharing platform between participants.
4. Enabling ecosystem participants with a platform for managing disputes and complaints.

## 3. Communication

**The success of the open banking initiative ultimately depends on uptake by individuals and businesses—it moves only as fast as the slowest adopter. Therefore, regulators should adopt a proactive approach when it comes to educating people on open finance, for example communicating clearly on the purpose of the initiative and addressing common concerns among consumers and other affected parties.**

This would serve to increase public awareness of the benefits, and thereby boost adoption. In Brazil, for example, the central bank recognized that educating people on the open finance concept, its principles and security as well as the benefits consumers could obtain, was key to the success of the project.<sup>46</sup>

Therefore, it is actively running social media campaigns, promoting virtual events, and acting jointly with other institutions to clarify topics and questions relating to the open finance agenda.





# Conclusion

**From architectural feats to leading practices in social cohesion, the Middle East has always been an amalgamation of global best practices. With major digital transformation programs sweeping across the region, local governments are accelerating past many countries and pioneering the future.**

Local regulators have a golden opportunity to revamp an industry that is often seen as being behind the digital adoption curve. With a regulator-driven approach to open finance, governments can boost business, support entrepreneurial and venture capital activity, and reap many benefits that will allow them to get ahead.

The adoption of open banking and open finance, in their broad sense, is still nascent. However, the right ingredients exist to move forward—quickly. The many examples presented here highlight how a regulator-driven approach has spurred the ecosystem to advance, bringing benefits for the regulators, financial institutions and customers alike.

By focusing on the three areas outlined in this paper—planning, building and operating—Middle Eastern banks can do much more than just get well underway; they can easily get ahead and serve as an example for other nations too.

# Contacts



## Oliver Reppel

Managing Director –  
Banking, Middle East

[oliver.reppel@accenture.com](mailto:oliver.reppel@accenture.com)



## Vimal Sethi

Managing Director – Accenture Microsoft  
Business Group Lead, Middle East

[vimal.sethi@accenture.com](mailto:vimal.sethi@accenture.com)



## Tania Jarre

Senior Partner Development Director,  
Middle East & Africa

[taniajarre@microsoft.com](mailto:taniajarre@microsoft.com)



## Rohit Mathew

Managing Director –  
Banking, Middle East

[rohit.mathew@accenture.com](mailto:rohit.mathew@accenture.com)



## Yasar Yilmaz

Director – Head of Financial Services,  
Middle East & Africa

[yasar.yilmaz@microsoft.com](mailto:yasar.yilmaz@microsoft.com)

## CONTRIBUTORS

**Nanna Svahn**  
Nordic Research Lead  
Accenture Research

**Carla Maria Issa**  
Middle East Research Lead  
Accenture Research

**Hannes Fourie**  
Canada Research Lead  
Accenture Research

---

## ACKNOWLEDGMENTS

The authors would like to thank the following individuals for their contributions to this report:

**James Hwa Jaan Gan**  
**Karsten Ebersbach**  
**Rupert Nicolay**  
**Steve Butcher**



# References

1. For the purposes of this paper, “Middle East” refers to the United Arab Emirates, Saudi Arabia and Bahrain.
2. [CBDCs and SupTech among priorities as BIS Innovation Hub maps out 2021 agenda - Global Government Fintech](#)
3. [2020 Banking Consumer Study | Accenture](#).  
Note: 55 percent in Saudi Arabia identified as Pioneers and 47 percent in the United Arab Emirates—the dominant group in both countries amongst the four personas identified by this study. Pioneers are defined as “risk-takers who are tech-savvy and hungry for innovation”.
4. <https://www.finance-monthly.com/2019/11/open-banking-is-going-global-with-87-of-countries-having-open-apis/>
5. <https://www.accenture.com/us-en/insights/banking/open-banking-moving-towards-open-data-economy>
6. <https://thepaypers.com/interviews/open-banking-in-brazil-all-questions-answered-by-the-central-bank-brazil-part-1--1251622>
7. Accenture Research Fintech Watchtower
8. [Openbankingtracker.com as of December 13, 2021](#).
9. <https://fintechnews.ae/10183/fintech/5-trends-driving-open-banking-in-the-middle-east-2021/>;  
[https://www.linkedin.com/pulse/future-now-open-banking-united-arab-emirates-mohammed-shael-alsaadi?trk=articles\\_directory](https://www.linkedin.com/pulse/future-now-open-banking-united-arab-emirates-mohammed-shael-alsaadi?trk=articles_directory)
10. [CBB launches the Bahrain Open Banking Framework | CBB](#)
11. <https://www.wamda.com/2021/06/evolving-landscape-state-open-banking-regulations-mena>
12. <https://www.sama.gov.sa/en-US/News/Pages/news-642.aspx>
13. [FinTech Comparative Guide - Technology - Brazil \(mondaq.com\)](#)
14. [Central banks' response to Covid-19 in advanced economies \(bis.org\)](#)
15. [Financial Sector Development Program - Vision 2030](#)
16. [UAE eighth in global ranking of most cashless economies \(thenationalnews.com\)](#)
17. [finextra.com/the-long-read/234/why-bidens-executive-order-is-a-green-light-for-us-open-banking](https://finextra.com/the-long-read/234/why-bidens-executive-order-is-a-green-light-for-us-open-banking)
18. <https://www.finastra.com/sites/default/files/documents/2021/06/financial-services-state-of-the-nation-survey-2021.pdf>
19. [Accenture Global FS Consumer Study 2020](#)
20. <https://www.finastra.com/sites/default/files/documents/2021/06/financial-services-state-of-the-nation-survey-2021.pdf>
21. [https://www.finastra.com/sites/default/files/2020-05/market-insights\\_open-banking-collaboration-survey-2020-report.pdf](https://www.finastra.com/sites/default/files/2020-05/market-insights_open-banking-collaboration-survey-2020-report.pdf)
22. [https://www.amf.org.ae/sites/default/files/research\\_and\\_publications/Publications%20On%20AMF/2020/en/Open%20Banking\\_A%20Vision%20From%20the%20Arab%20World%20FINAL%2022-12-2020.pdf](https://www.amf.org.ae/sites/default/files/research_and_publications/Publications%20On%20AMF/2020/en/Open%20Banking_A%20Vision%20From%20the%20Arab%20World%20FINAL%2022-12-2020.pdf)
23. <https://www.moodyanalytics.com/regulatory-news/jun-29-21-dubai-fsa-opens-applications-for-regulatory-sandbox>
24. [Robo-advisory firm is first graduate of DFSA's regulatory sandbox - ITP.net](#)
25. [En national-innovation-strategy.pdf](#)
26. <https://www.vinge.se/media/hfaizi4j/fintech-2021-chambers-global-practice-guides.pdf>
27. [https://www.garrigues.com/en\\_GB/garrigues-digital/legislative-challenges-regulating-fintech-companies-spain-and-latin-america](https://www.garrigues.com/en_GB/garrigues-digital/legislative-challenges-regulating-fintech-companies-spain-and-latin-america)
28. Accenture Research Fintech Watchtower
29. <https://www.yapily.com/blog/european-open-banking-league-table/>
30. <https://www.openbankingexcellence.org/blog/the-implementation-journey-of-open-banking-rules-in-brazil/>
31. [Singapore Financial Data Exchange \(SGFinDex\) \(mas.gov.sg\)](#)
32. [What SGFinDex means for Singapore | Accenture](#)
33. [https://www.altfi.com/article/8223\\_why-the-australian-open-banking-model-should-be-adopted-globally](https://www.altfi.com/article/8223_why-the-australian-open-banking-model-should-be-adopted-globally)
34. [https://www.altfi.com/article/8223\\_why-the-australian-open-banking-model-should-be-adopted-globally](https://www.altfi.com/article/8223_why-the-australian-open-banking-model-should-be-adopted-globally)
35. <https://apixplatform.com/news/31>
36. [https://www.altfi.com/article/8223\\_why-the-australian-open-banking-model-should-be-adopted-globally](https://www.altfi.com/article/8223_why-the-australian-open-banking-model-should-be-adopted-globally)
37. <https://api.gov.au/standards/>
38. <https://www.abe-eba.eu/thought-leadership-innovation/open-banking-working-group/management-summary-artificial-intelligence-in-the-era-of-open-banking/>
39. [Cloud \(mas.gov.sg\)](#)
40. [Singapore Financial Data Exchange \(SGFinDex\) \(mas.gov.sg\)](#)
41. [How the Singapore Government can move to the cloud | GovInsider](#)
42. <https://www.reuters.com/technology/new-rules-needed-cover-risks-cloud-computing-says-bank-england-2021-10-08/>
43. <https://abs.org.sg/docs/library/abs-cloud-computing-implementation-guide.pdf>
44. <https://www.openbanking.org.uk/wp-content/uploads/COGP-2.0.pdf>;  
<https://www.openbanking.org.uk/dispute-management-system/>
45. [About the OBIE - Open Banking](#)
46. <https://thepaypers.com/interviews/open-banking-in-brazil-all-questions-answered-by-the-central-bank-brazil-part-2--1251623>

## About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services — all powered by the world’s largest network of Advanced Technology and Intelligent Operations centers. Our 699,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at [www.accenture.com](http://www.accenture.com)

## About Microsoft

Microsoft enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

Microsoft (Nasdaq “MSFT” @microsoft) enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

Visit us at [Microsoft | Industry](#)

## About Accenture Research

Accenture Research creates thought leadership about the most pressing business issues organizations face. Combining innovative research techniques, such as data science led analysis, with a deep understanding of industry and technology, our team of 300 researchers in 20 countries publish hundreds of reports, articles and points of view every year. Our thought-provoking research developed with world leading organizations helps our clients embrace change, create value, and deliver on the power of technology and human ingenuity.

For more information, visit [www.accenture.com/research](http://www.accenture.com/research)



This content is provided for general information purposes and is not intended to be used in place of consultation with our professional advisors.

Copyright © 2022 Microsoft and Accenture. All rights reserved. Accenture and its logo are registered trademarks of Accenture.

(c) 2022 Microsoft Corporation. All rights reserved. This document is provided "as-is." Information and views expressed in this document, including URL and other Internet Web site references, may change without notice. You bear the risk of using it.

This document does not provide you with any legal rights to any intellectual property in any Microsoft product. You may copy and use this document for your internal, reference purposes.

### Disclaimer

This document refers to marks owned by third parties. All such third-party marks are the property of their respective owners. No sponsorship, endorsement or approval of this content by the owners of such marks is intended, expressed or implied.