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Editor's Choice Europe Open Finance Thought Leadership

CBI's Liliana Fratini Passi On The Shift Towards Open Finance

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Despite open finance being a recent phenomenon in many countries, many are planning to evolve their offering beyond open banking and towards an open finance ecosystem.



*In a career spanning over 25 years, **Liliana Fratini Passi** has gained a deep strategic vision on the digitalisation sector of both domestic and international financial services.*

*She is currently MD of **CBI** – a company comprising around 400 payment service providers – and scooped ‘Managing Director of the Year – Banking’ gong in the **Le Fonti Awards**, both for 2021 and 2022.*

*Fratini Passi is also vice chair of **UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business)** and Italian representative at **ISO Technical Committee 68 Financial Services** and **ISO20022 RMG**.*

Using her deep knowledge of the payment system, fintech, open innovation and transaction banking sector and managing important digital transformations of the Italian financial system, through the creation of interoperable digital infrastructures and services, Fratini Passi outlines expected changes ahead.

The financial services industry has seen profound technology-led changes over the past years, experiencing a ‘revolution’ due to the impact of new paradigms based on ‘open’ models such as open banking, open finance and open data based on API technology.



*Liliana Fratini Passi,
managing director, CBI*

Furthermore, Covid-19 can be considered as a catalyst for this enormous change, especially in Europe, pushing not only financial institutions to increase their investments in innovative technologies and digital payments but also developing legislative regulations to strengthen security and transparency.

Changing expectations



Banking as a platform and banking as a service, represent two increasingly sought functions in financial product distribution, driven by social change and new digital awareness.

Customers now expect finance embedded at the point of need, leading to a transition from open banking to open finance, which allows market players operating in the financial space, to share financial data among themselves, enabling a greater access to financial services, supporting the development of innovative products and contributing to build a more competitive and open ecosystem whilst meeting new customer demands.

In this scenario, the experience of Italian financial industry has demonstrated that collaborative ecosystems – such as CBI – are the most efficient and effective tools with which to achieve both compliance and continuous innovation through collaborative action.

CBI, a company boasting more than 400 banks and financial intermediaries as members and customers, can be identified as an industry utility that serves financial institutions, and European payment service providers to respond more promptly and effectively to market challenges in the digital payments landscape.

It develops collaborative infrastructures, digital services with a business-to-business-to-customer (B2B2C) perspective, acting as a fintech with 30 years of history, to help its customers to offer their clients – corporates, retails and public administration – innovative payment and information services.

CBI's greatest accomplishment lies not only in the development of innovative platforms and services, but moreover in its capacity to aggregate various actors in the financial ecosystem, benefiting from the advantages of the so-called 'network economy'.

Future commitments



Emerging new technology is paving the way for disruptive innovation in the area of payments; therefore, CBI believes that a flexible, modern and clear approach is needed to respond to market demands. In this scenario, CBI has supported the PSPs to meet all the PSD2 requirements, creating a regtech platform called CBI Globe.

In addition, two years ago CBI launched the 'Active Functionality', that enables PSPs to play an active role as third party providers, using a single access point to reach the entire Italian banking market and main international API platforms.

Furthermore, CBI is committed to invest in integrated and sustainable technological innovation and digital skills, which will contribute to a range of new VAS.

Developments

- The first value-added service developed by CBI is the 'Check IBAN' service, first in the public administration and then in the private sector with an anti-fraud purpose and allows verifying the correct correspondence between Tax Code/VAT Number and IBAN Code. So far, we have registered a growth rate of 120 per cent weekly, in addition to reaching the majority of the market. These results confirm the great potential of the service and how its market share will increase even more in the upcoming years.
- Last July, CBI launched 'Check IBAN Cross Border Service', thanks to the partnership with SurePay, to support banks and fintechs by offering the Check IBAN service to customers outside of Italy, starting from the Netherlands, Belgium and Germany, and gradually to other European countries, including the UK.
- Similarly CBI has developed 'Name Check', that validates the ownership of an IBAN in relation to a specific end user through a search function based on the name/denomination of the account holder/company. This service could be adopted



to avoid misdirection increasing the payment market stability and efficiency. It is useful in cases where VAT and fiscal codes are not available, and in case of instant payments.

- Another relevant instrument that CBI has developed is the 'Smart Onboarding' service, which aims to facilitate the onboarding procedures that final user may face in order to fulfil an online form, in addition to allowing to a final user to retrieve his own personal data.
- Furthermore, CBI has developed a project known as 'CBI Invoice Control Database', which has been admitted to the Regulatory Sandbox established by the **Italian Ministry of Finance** and managed in coordination with the **Bank of Italy**, and the Institute for the Supervision of Insurance.

Next steps

Despite open finance being a recent phenomenon in many countries, several players are looking at evolving their offering beyond open banking and towards an open finance ecosystem.

CBI in its role of industry change facilitator, acting as API Marketplace and in support of a more effective financial ecosystem, has entered new partnerships in the field of **open finance** and will continue to investigate new collaborations that deliver sustainable impact.

Watch *The Fintech Times* chat to Liliana Fratini Passi at Sibos Amsterdam 2022

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