Race to the Future:
# The Open Finance PH Hackathon

WELCOME PACKAGE

2024

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What is Open Finance?

Open Finance is a global movement that promotes (1) cooperation and competition in the Financial Services Industry and (2) customers' right to share their own financial data with third parties. This consent-driven data sharing enables new business models which expand the generation and delivery of value beyond a vertically-integrated value chain to an external ecosystem.
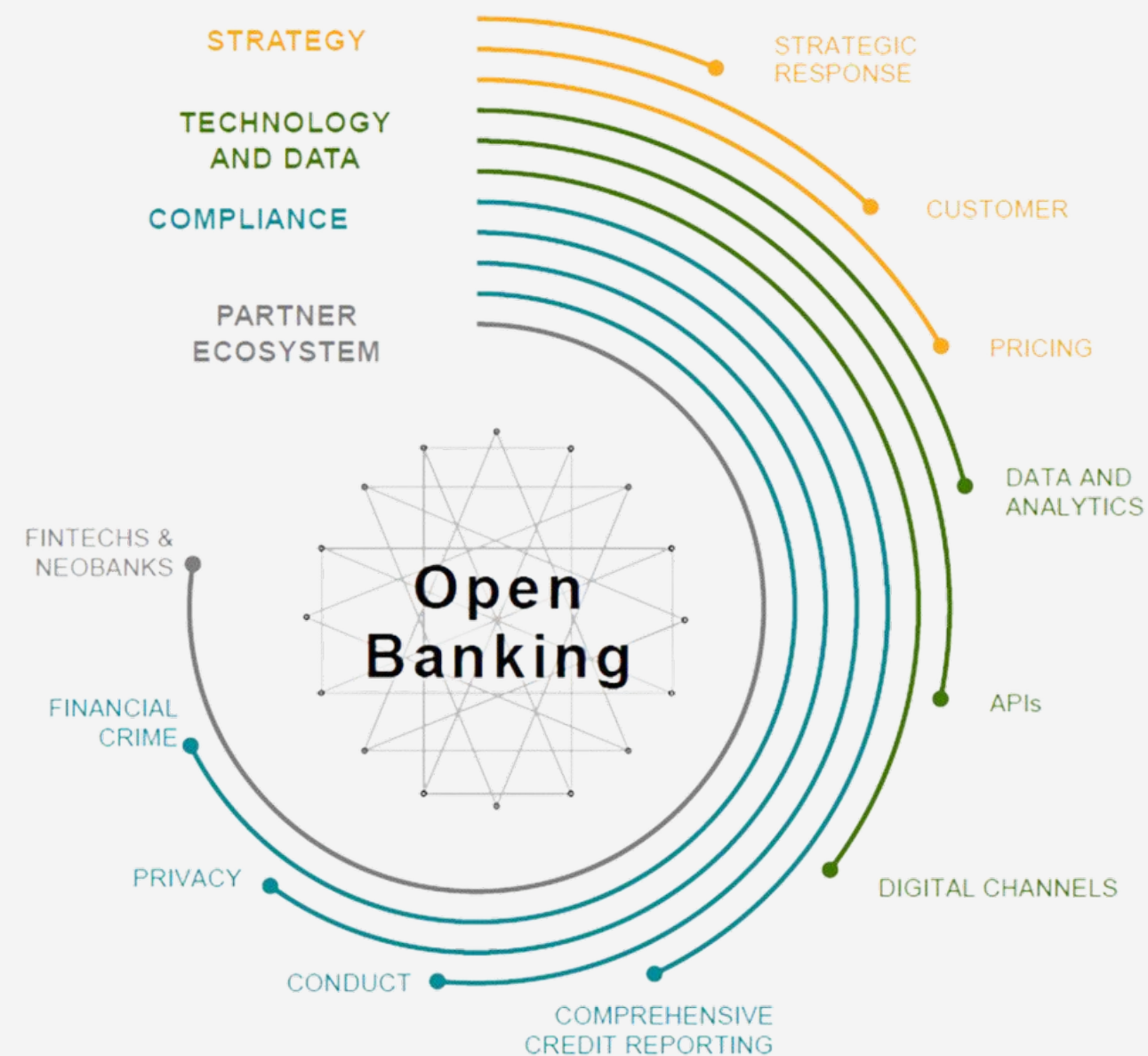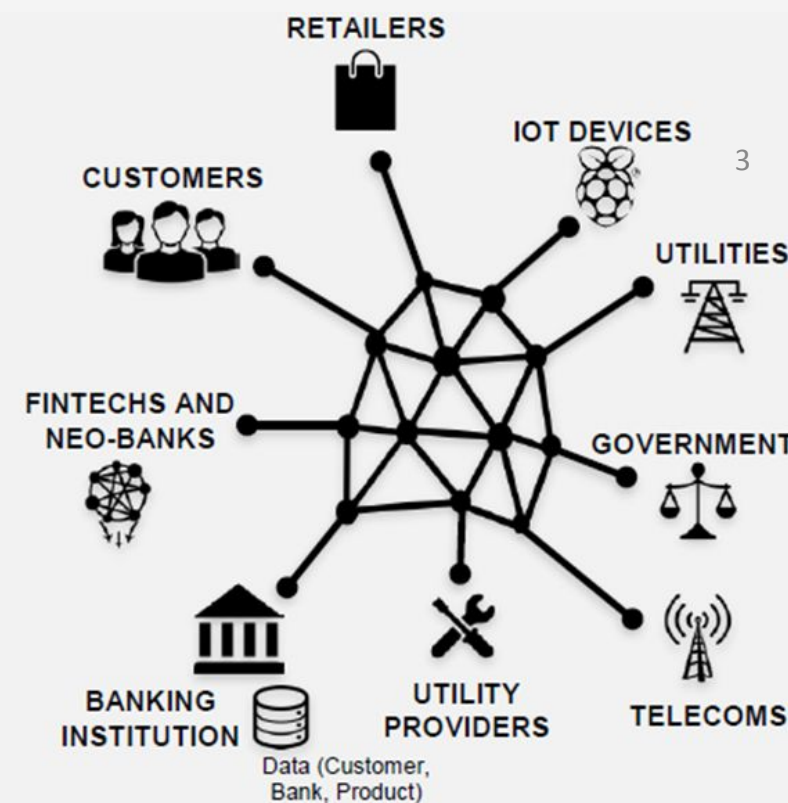
What is Open Finance?

Open finance promotes a platform-based business approach where data, processes, and business functionalities are made available to an ecosystem of customers, third-party developers, FinTech start-ups, or other institutions. These services digital in nature and come from both financial providers and third-party providers.

Closed System
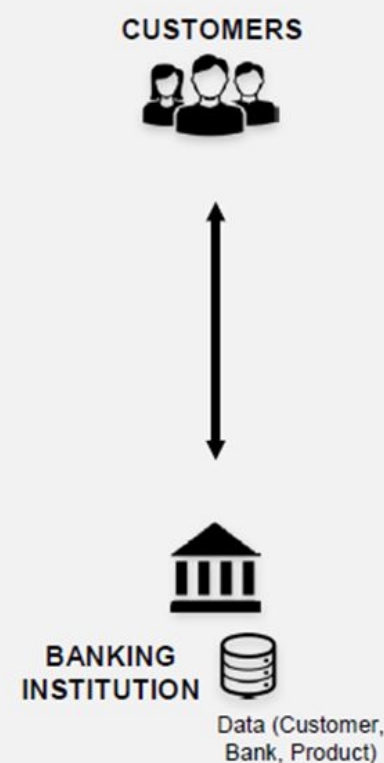
Open System

Key Capabilities

|	
Customer centric	Improved personalization for tailor-fit needs
Open API and integration to ecosystems	Frictionless customer experience

Why Open Finance?
Put simply, it will drive economic transformation

1. Triggers a **whirlwind of new companies and a flood of investment** in a race to offer novel and innovative digital financial products and services.

2. **Opens up the financial market** in a standardized way to new services providers, enabling interoperability across different financial providers.

3. Sets the stage to **tackle financial inclusion**, empowering people and businesses to get better financial outcomes by providing them with more options for their financial needs.

4. Ensures that customers are the **owners of their own data**, empowering them by giving them control over whom they share their data with.

Open banking is a global movement
## Various forms of open banking have emerged in over 70 countries
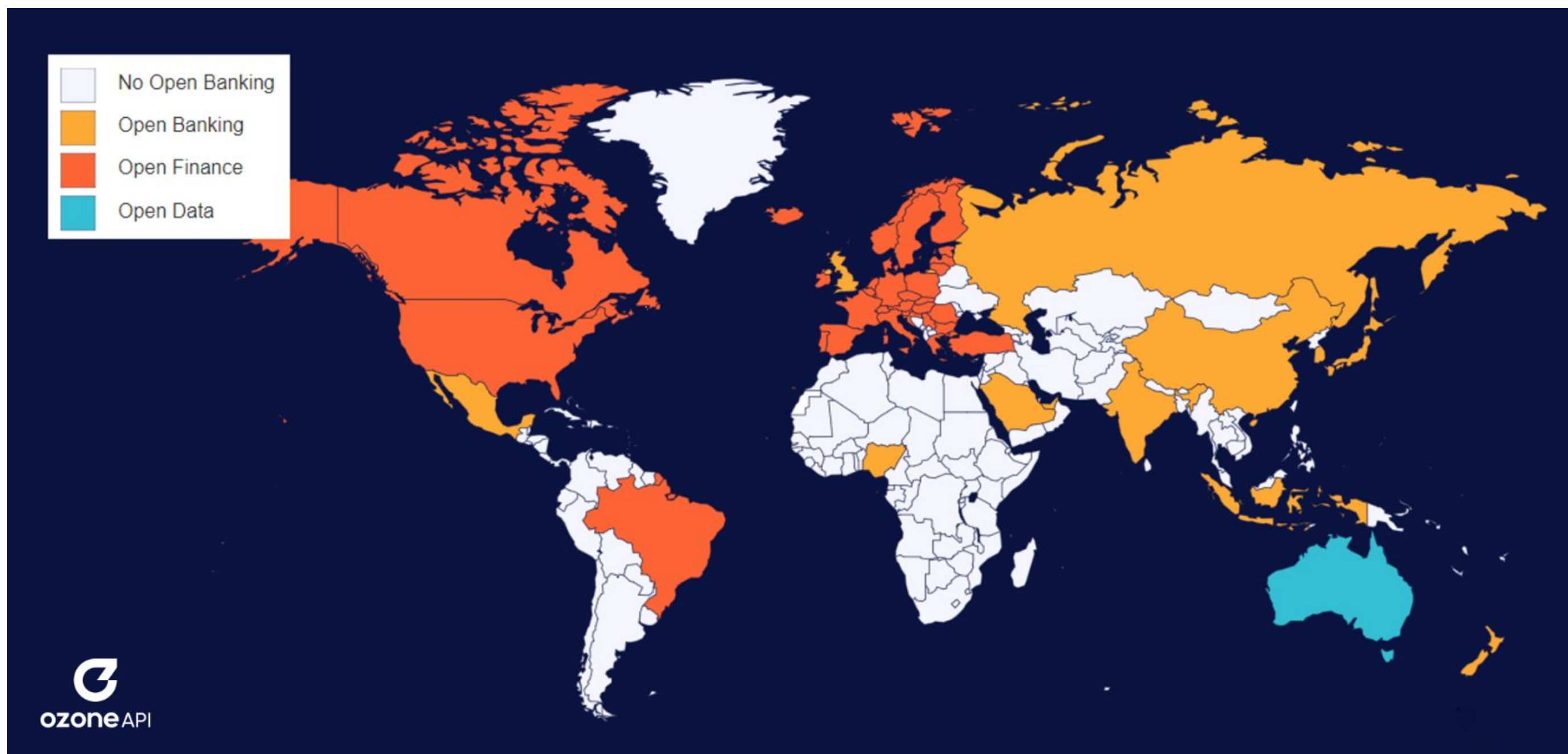
The Open Finance PH Hackathon

Open Finance PH
What has been done in the Philippines?

- **The Open Finance Framework** was established under the BSP Circular No. 1122 released on 17 June 2021 after a series of consultations and surveys done with various stakeholders with the following goals:
  - **Promote an enabling environment that fosters innovation and competition**
  - **Advances financial inclusion while safeguarding the integrity and stability of the financial system**
- **BSP's Approach to Open Finance**
  - Collaborative activities to facilitate mutual learning
  - Tiered approach to implementation
  - Pilot activities among stakeholders for capacity building
- **Open Finance PH Resources**
  - BSP Circular 1122 - https://bit.ly/BSPOpenFinanceFramework
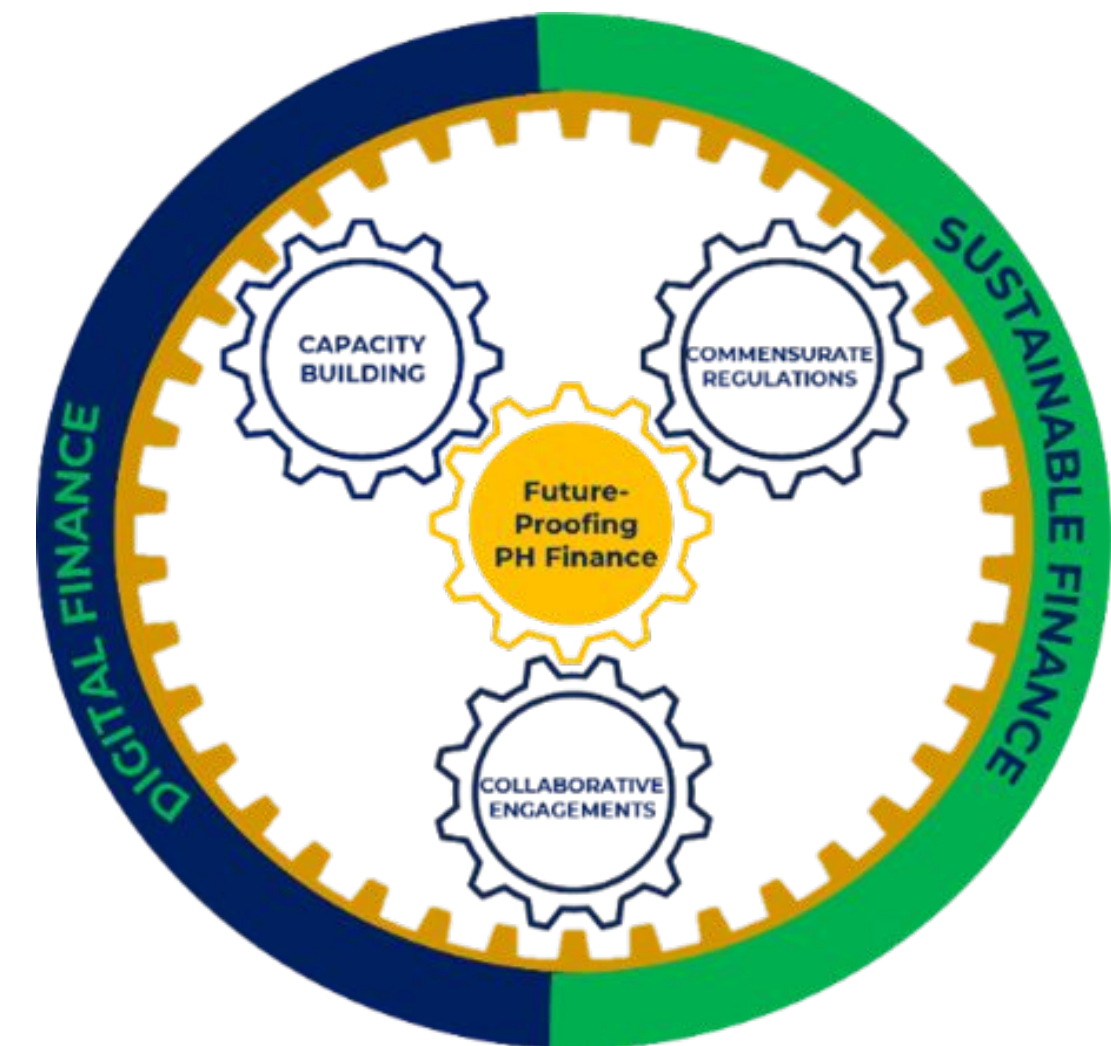
The First Open Finance PH Hackathon
What's in it for you?

- **Help shape the future of Open Finance in the Philippines** and demonstrate the real potential to drive innovation. Your ideas, creativity, and technical expertise can help drive innovation in the financial sector and pave the way for a more inclusive and accessible financial ecosystem.

- **Gain hands-on experience** in developing Open Finance applications. Take the opportunity to work with like-minded individuals to explore new tools and frameworks and to collaborate with others to bring your ideas to life.

- **Get exposure** to leading market players and innovative Open Finance based business models, services, and products. Engage with representatives from banks, fintech companies, regulatory bodies, and other stakeholders, gaining insights into emerging trends, challenges, and opportunities in Open Finance.

The Hackathon will focus on 3 Use Cases
Each designed to drive innovation in important areas in the Philippines

Next Generation Financial Management through Account Aggregation
Sharing of customers' financial account information among different financial institutions operating in the ecosystem. Open Finance-based Account Aggregation extends beyond data consolidation and visualisation. With customers' financial information readily available from the ecosystem, companies can personalise their offerings to address evolving customer financial needs.

Reducing Barriers to MSME Lending
Given that MSMEs are the major contributors to employment in the Philippines, providing these institutions a means to access credit via consent-driven data sharing mechanisms in Open Finance could unlock their potential and further accelerate economic growth.

Digital Payments Innovation
Given that payments is one of the largest use cases in the industry, Open Finance can further improve the customer experience on payments initiation through cross-institution scheduled and variable recurring payments.

Next Generation Financial Management through Account Aggregation

Driving financial education and better financial management

Good financial education and financial management can be a huge contributor to wealth creation. Open Finance gives individuals and businesses more control over their account information and provides the capabilities to drive innovations in financial management based on the core foundations of:

- Account aggregation – the ability to see all of your accounts in one place
- Payment initiation – the ability to move and sweep money between accounts in one place

These foundations can enable transformative financial management solutions to help individuals and businesses get more from their money through:

- Improved understanding of one's financial position
- Better budgeting and spending management
- Business cash flow management

Reducing Barriers to MSME Lending

Providing fuel to fire up economic growth

Small businesses and MSMEs are often both the drivers of the economy and key pillars of local society. This is particularly true in the Philippines with an estimated 99.59% of total businesses being MSMEs that account over 65% of the country's total employment*.

However, access to credit is a significant challenge for MSMEs where they often having little or no credit history. With Open Finance, lenders can access account and transaction information of MSMEs with their consent to better understand its income, cash flow, etc. as an alternative source of data thus improving access to credit for small business owners.

* Source 2022 MSME Statistics

Digital Payments Innovation

Enabling an acceleration in digital payments

There is a positive link between the digitalisation of payments and economic growth, and the BSP has set an ambitious objective in its Digital Payments Transformation Roadmap 2020 - 2023 to convert 50% of total retail payments to digital form. In 2022, the BSP has already achieved 42.1% of this already in 2022, and is expected to have achieved this goal in 2023 pending official statistics*.

A key foundational capability enabled by Open Finance is payment initiation and for this to be embedded in third party applications with the customer's consent, enabling a range of account-to-account payment use cases based on the following capabilities:

- One-time payments
- Scheduled payments
- Variable recurring payments
- Bulk payments

* Source: Manila Bulletin

Hackathon Approach and Key Principles

Virtual Hackathon run over two weeks
Teams will be able to participate alongside the day job

Registration

Each participating team will apply via the **registration link**, choose 1 use case out of the 3 defined use cases, and develop their idea / solution.

Registration runs from 18 June to 9 July 2024. Participants will be notified via email whether their application has been accepted.

A public webinar will be held on 25 June 2024 to discuss the use cases, the solutions, and other questions any potential participant may have. The recording is available at https://bit.ly/OFPH-2024Hackathon

Hackathon

The hackathon will take place virtually over two weeks (from 15 – 26 July 2024), kicking off with an online opening event on 15 July 2024.

- Each team will have access to the "Model Bank" API Sandbox to develop and bring to life their vision as a proof of concept.
- For additional support, participants can reach out to hackathon@openfinanceph.org for technical questions.

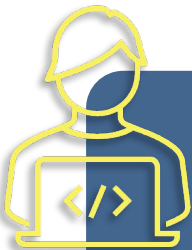At the end of the two weeks (26 July 2024), participating teams will submit their entries.

Judging

The first round of judging will happen from 29 to 31 July to determine the top 6 participants who will be attending Demo Day in the BSP Head Office. This round of judging will done by judges from the BSP.

Demo Day

Chosen participants will be invited to an in-person Demo Day on the 7th of Aug 2024 in the BSP Grounds where they will be presenting their pitches to a panel of judges from varying industries and backgrounds.

Hackathon Principles (1/2)

Pillar	Description
The Hackathon	The Hackathon will be a hybrid event with the following activities: • A public webinar – 25 June 2024, 4:00pm to 5:00pm • An online opening ceremony to kick off the hackathon – 15 July 2024, 4:00pm to 5:00pm • A two-week virtual Hackathon for participants to develop and submit their entries – 15 to 26 July 2024 • A final Demo Day at the BSP Head Office – 7 August 2024, 1:30pm to 4:00pm
Eligible Participants	The Hackathon is open for teams representing a registered entity, whether local or foreign. Participation will be team/institution based, and participants may form cross-institutional teams as well.
Support for Hackathon Participants	The participants will be provided the following: • Welcome Prep Package • Model Bank Access (Developer Portal, etc) • Recorded Launch Webinar to discuss the 3 Major Use Cases • Technical assistance channel via hackathon@openfinanceph.org.

Hackathon Principles (2/2)

Pillar	Description
Expected output of the hackathon	• Problem statement and description of proof-of-concept (POC) • Short video describing the business challenge and demonstrating the suggested solution
Evaluation criteria and judging process	Selection and evaluation criteria for the different POCs are based on: • Problem Statement – 25% • Operational and Technical Feasibility – 25% • Relevance to the market – 25% • Quality of the POC – 25%
Prizes & Awards	Prizes and awards: • For the winning team: Participation in the Singapore Fintech Festival sponsored by the IFC • For the top 6 teams: Certificate of recognition • For all other participants: Certificate of participation

Timeline of Activities

| Date and Time	Activity	Description
18 June 2024	Start of registration	
25 June 2024, 4:00pm to 5:00pm	Public webinar	A public webinar open to all potential participants to explain the hackathon details and mechanics.
9 July 2024	Deadline of registration	Accepted applicants will be contacted by hackathon@openfinanceph.org on whether they have been accepted to the event.
15 July 2024	Virtual opening ceremony and start of hackathon proper	Virtual opening ceremony to kick-off the hackathon. Participants will be granted access to the API sandbox on this date.
26 July 2024	Deadline of hackathon submissions	Submissions shall be submitted to hackathon@openfinanceph.org.

Timeline of Activities

Date and Time	Activity	Description
29 to 31 July 2024	First round of judging by the BSP	Submissions will undergo a first round of judging to determine whether they are qualified to present their pitches on Demo Day.
2 August 2024	Invitation of teams qualified to Demo Day	The BSP will be notifying top applicants to be invited to present their pitches on Demo Day at the BSP Head Office.
7 August 2024	Demo Day	The event will be held at the BSP Head Office in Malate, Manila where participants will present their pitches to a panel of industry experts from the public and private sector.

Hackathon Resources

The Model Bank
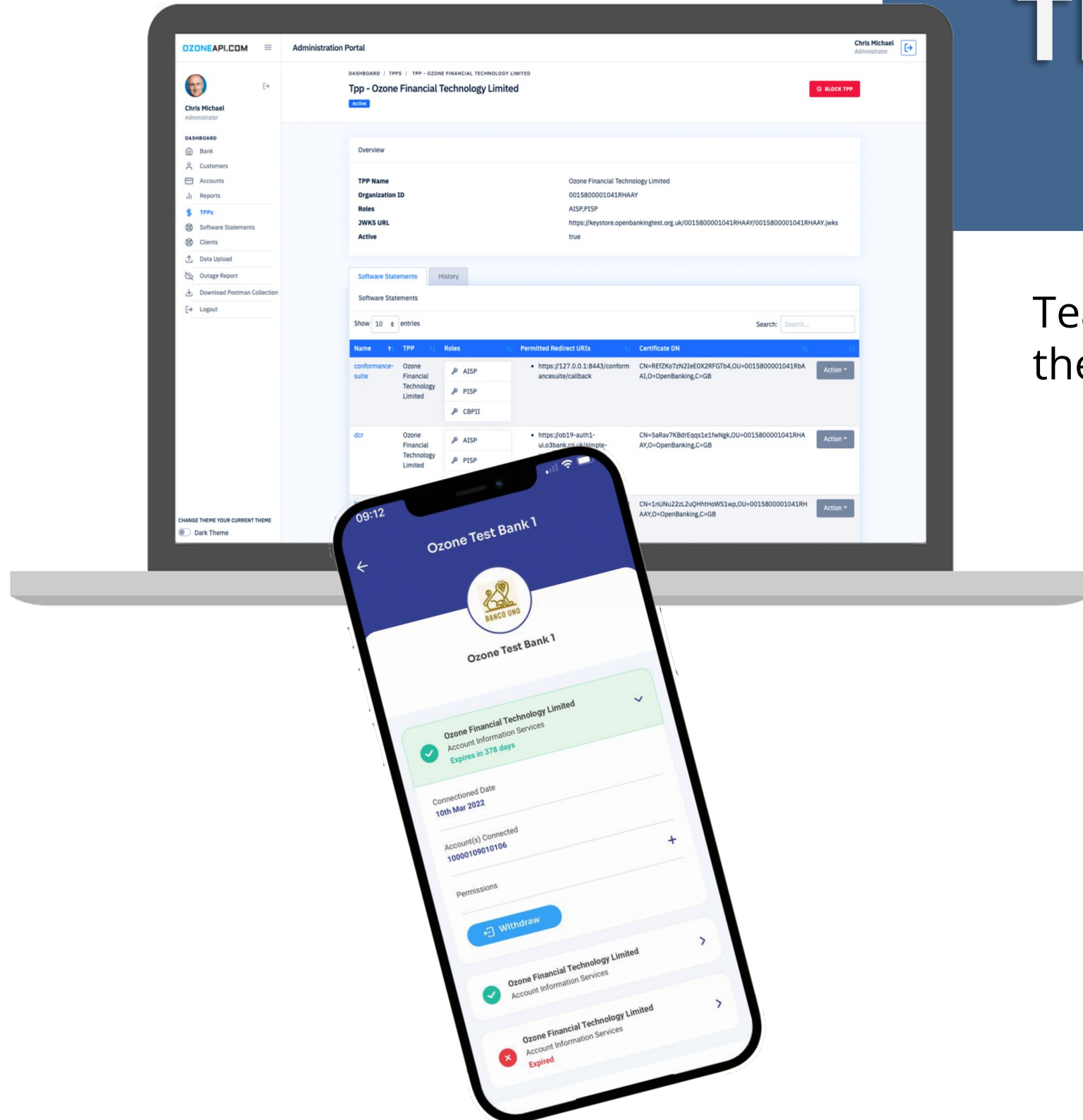
Teams will have access to the model bank API sandbox to build their proof-of-concepts (POCs)

- The model bank comes with a reference implementation of the UK Open Banking API standard
- It has all of the tools to enable developers to test the functionality of each API with an example request and response
- It contains sample code and rich synthetic datasets
- It delivers all required functionality to support the identified use cases

The Developer Portal
Reference Platform

Developer Portal

Test Bank

To register to the sandbox, please access this link

- https://selfservice.sandbox.ifc.uk-hub-prod.ozoneapi.co.uk

Video Guides

Please see the following videos to help you get started:

- Ozone Sandbox - Self Service Registration - (how to register and get your credentials)
- Ozone Sandbox - Setup Postman - (how to configure Postman to access the Ozone Sandbox)
- Ozone Sandbox - AIS Flow - (using Postman to make AIS calls using the Ozone Sandbox)
- Ozone Sandbox - PIS Flow - (using Postman to make PIS calls using the Ozone Sandbox)

DOCUMENTATION

📖 IFC BANK PORTAL

Introduction

AISP API Overview

PISP API Overview

CBPII API Overview

Account and Transaction API Specification

Payment Initiation Services API Specification

Card Based Payment Instrument Issuer API Specification

Variable Recurring Payment API Specification

Table of Content

Test Bank

Video Guides

Contains videos to self-register, set-up Postman, and the AIS and PIS flows

Access the Developer Portal

IFC International Finance Corporation WORLD BANK GROUP

The Hackathon Help Desk

Technical assistance offered through
hackathon@openfinanceph.org.

Evaluation Criteria

Evaluation Criteria

Judging based on innovation and elevation

- **Problem Statement - 25%**
  - **Clarity and Understanding** - clear, well-defined problem statement which demonstrates a deep understanding of the issue
  - **Innovation and Originality** - highly innovative and original solution, addressing an unmet need in a new approach, offering a unique and creative solution to the technical challenge
  - **Financial Inclusion** - there would be a positive direct impact on financial inclusion

- **Operational and Technical Feasibility - 25%**
  - **Tech Feasibility and Implementation** - the technical approach is well-executed and showcases excellent technical skills
  - **Completeness and Usability** - inclusion of key features necessary to demonstrate the core functionality. User Experience (UX): quality of the user interface (UI) and overall user experience. Usability: ease of use and intuitiveness of the POC for end users
  - **Resource Utilization (Model Bank)** - resources are utilized efficiently and effectively, demonstrating excellent resource management

Evaluation Criteria

Judging based on innovation and elevation

- **Relevance to the Market - 25%**
  - **Market Need and Demand Market Opportunity** - clearly defined market TAM (total addressable market) and growth potential, showing significant potential in advancing financial inclusion
  - **Business Model Robustness** - clear value proposition, operational & technology scalability, risk management, clearly defined future revenue model
  - **Competitive Advantage** - competitive advantage to other market solutions
- **Quality of the POC - 25%**
  - **Presentation and Demonstration** - clear and effective communication of the POC features, benefits, and technical details during the presentation
  - **Future Development Potential** - potential for full scale implementation- how easily the POC can be transitioned to a full-scale solution

Evaluation Criteria

Summary of Categories

Category	Weight
Problem Statement	25%
Operational and Technical Feasibility	25%
Relevance to the market	25%
Quality of the POC	25%

Prizes

Prizes and Awards

- **For the winning team**: A trip to the Singapore Fintech Festival that includes economy-class airfare, lodging for 3 nights, and delegate passes sponsored by the IFC
- **For the top 6 teams:** Certificate of recognition and gift certificates sponsored by the IFC
- **For all other participants:** Certificate of participation

THANK YOU