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Commission services non-paper on simplification of the Regulation on Financial Information Data Access (FIDA)

1. Introduction

The Commission's agenda on simplification and administrative burden reduction requires a systematic effort to screen the EU acquis to identify opportunities to make procedures simpler, faster, and lighter across the board.[1]

This non-paper follows up on the request by the co-legislators during the first political trilogue on 1 April to deliver a way forward on simplification and burden reduction. The measures in this non-paper are primarily based on amendments proposed by co-legislators. However, where needed, this non-paper also proposes new approaches for consideration by the co-legislators. The non-paper suggests broad policy measures without entering into technical details which would need to be discussed at technical trilogues, following a mandate at political level.

At the request of the co-legislators, this non-paper first examines how the FIDA proposal enables innovation by examining use cases and their benefits for customers (section 2). In the ensuing sections, the non-paper puts forward measures for simplification and burden reduction without compromising on the opportunities that the FIDA proposal is expected to deliver. While the impact assessment accompanying the Commission´s proposal estimated relatively low administrative costs,[2] the impact assessment confirmed significant market adjustment costs for data holders. This non-paper therefore examines measures to reduce such market adjustment costs. It also seeks to make co-legislators accountable for assessing the impact and costs of their significant amendments.[3] On this basis, the simplification measures considered in this non-paper include: (i) measures on scope that aim to reduce market adjustment costs and increase proportionality (Section 3); (ii) simplifying the standard-setting process to increase interoperability and reduce market adjustment costs (Section 4); (iii) greater alignment with horizontal acts to simplify the rules on gatekeeper access (Section 5); (iv) closer scrutiny of mandates introduced by co-legislators for additional empowerments (Section 6); (v) greater alignment with the PSD3/PSR framework (section 7).

2. Examining FIDA-based innovation

[1] Communication: A competitiveness compass for the EU (2025). Competitiveness compass - European Commission

[2] The impact assessment accompanying the FIDA proposal estimates the total annual impact on the EU economy produced by enhanced access to and sharing of data in the EU financial sector to range between EUR 4.6 billion and EUR 12.4 billion, including the direct impact on the EU financial data economy in the range of EUR 663 million to EUR 2 billion per year. FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[3] As stated in the Competitiveness Compass, all EU institutions need to work together to avoid that amendments proposed during negotiations become a 'regulatory ratchet'. The simplification commitment must be maintained from the start to finish of the legislative process.

The objective of the FIDA proposal is to enhance data access in the financial sector by giving customers greater control over their data, thus contributing to a strong EU data-driven economy. FIDA aims to enhance data access across the Union to enable value creation to improve transparency, trust and product relevance for customers. This will foster innovation and competitiveness, with the value generated in the long-term expected to significantly outweigh associated costs.[4] The impact assessment accompanying the FIDA proposal identifies data-driven services (customer-centric financial services and financial information services) that stand to greatly benefit from real-time data access under FIDA.[5] While the list is non-exhaustive,[6] the FIDA impact assessment identifies the following data-driven services:

- Investment advice & personal finance management tools – which provide customers with a more meaningful understanding of their financial situation, and can help them compare, switch and search for better financial products.
- Personal dashboards – to give customers a real-time overview of their finances, including insurance management dashboards or pension advice dashboards that can play an important role for consumers in financial planning.
- Better advice on SME loans – to give SMEs wider access to credit offers based on the efficient reuse of creditworthiness data, thereby addressing the SME funding gap.[7]

In terms of added value, these data-driven services give customers:

- More control over their financial choices;
- Greater choice to access services and products;
- Greater transparency and convenience that can improve decision making.

These customer benefits are essential in developing a retail investment culture within the EU.[8] Regulating data-driven services in FIDA will also better protect customers against risks of data misuse or data breaches, as the FIDA proposal contains strong safeguards on data access and use to prevent and sanction against risks.

Ultimately, all data-driven services rely on a broad scope of customer data being made available. The innovation potential of FIDA is conditional on the efficient and responsible access to a high volume of customer data. Innovation scales in usefulness based on the volume of access to customer data. Legislators should also not be too prescriptive in terms of anticipating the data-driven services that can be built on FIDA: it is reasonable to assume that the market will innovate further, and FIDA should encourage such innovation.

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[4] The impact assessment accompanying the FIDA proposal estimates the total annual impact on the EU economy produced by enhanced access to and sharing of data in the EU financial sector to range between EUR 4.6 billion and EUR 12.4 billion, including the direct impact on the EU financial data economy in the range of EUR 663 million to EUR 2 billion per year. FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[5] See Annex 7: examples of use cases. FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[6] Further studies conducted by the OECD for example indicate additional forms innovation. 25 out of 34 OECD countries surveyed have reported active use cases resulting from data sharing frameworks in their jurisdictions involving innovative business models, such as credit scoring applications, debt management tools, wealth management applications, alternative payment services, product comparison, account verification and balance checks by third parties. OECD (2023) "Shifting from open banking to open finance: results from 2022 OECD survey".

[7] At the time of adoption of the FIDA proposal the rejection rate for SME bank loans of 4.5%, which translates into some 437,000 rejected loan applications. FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[8] Communication on the Savings and Investments Union (2025), Commission unveils savings and investments union strategy to enhance financial opportunities for EU citizens and businesses - European Commission

In terms of customer and business **demand**, data-driven services that exist today are already creating measurable value in the Union. As an example, a European technology provider estimates that it delivers data-driven services to over one million individuals annually across five EU Member States, enabling access to insurance, pensions and investments data.[9] In terms of indirect demand, there is a clear trend towards digital-first solutions in the financial sector: eight out of ten individuals already use technology to manage their finances.[10] FIDA will give both fintechs and incumbents the opportunity to compete through innovation powered by more scalable access to data – an advantage which is essential for future competitiveness, as stated in the Draghi report on EU competitiveness.[11]

Measuring **existing demand however is an imprecise indicator of future performance**, as many customers cannot express demand due to market barriers and lock-in effects that severely limit data access. The purpose of FIDA is to provide a response to this market failure.[12] Customers in the financial sector are often unable to control access to their data beyond the Payment Services Directive (PSD2), data users are generally unable to provide data-driven products at scale, and data holders often lack incentives to implement high quality interfaces that facilitate real-time access to customer data.[13] If no EU action is taken to remedy these problems, poor outcomes will continue to persist which in turn restrains demand.[14] In other markets that have achieved scalable access to data in the financial sector, customer engagement and demand for data-driven services are apparent. This is the case for example in the US, where an estimated 100 million consumers have used consumer-authorised data access services in the financial sector, with usage continuing to grow.[15]

3. Simplification of scope

The first measure of simplification that could be explored relates to the **scope** of the FIDA proposal, in terms of both customer data and the number of entities covered.

3.1 Simplification: customer data in scope

Commission services recognise the concern that co-legislators have raised regarding market adjustment costs related to the scope of customer data. In light of this, Commission services could suggest to exclude large corporates from the definition of a 'customer' in Article 3 of the FIDA proposal.[16] Limiting the definition of 'customer' to natural persons and small or

[9] Estimates provided by Insurely. Insurely work with over 40 financial institutions across six European markets – including in banking, insurance, pensions. Insurely (2025). Demonstrated demand for FIDA: Addressing misconceptions and market realities. | Insurely

[10] FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[11] See chapters on innovation, and digitalisation and advanced technologies, The Draghi report: A competitiveness strategy for Europe (2024). The Draghi report on EU competitiveness.

[12] Section 2 'problem definition' FIDA impact assessment (2023). EUR-Lex - 52023SC0224 - EN - EUR-Lex

[13] The targeted consultation indicates that most firms using customer data (88.6%) have experienced difficulties in accessing data held by financial firm. FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[14] This is backed by evidence in both the FIDA impact assessment, the RIS impact assessment and the Retail investment study accompanying RIS. Customers, notably retail consumers, remain vulnerable to mismanagement, complex information – which translated into missed opportunities. RIS impact assessment (2023) EUR-Lex - 52023SC0278 - EN - EUR-Lex

[15] The majority of data access traffic in the US is facilitated through a standardized API called the Financial Data Exchange (FDX), which reports that 76 million consumer accounts are linked to the infrastructure. See Consumer Financial Protection Bureau (2024) Required Rulemaking on Personal Financial Data Rights | Consumer Financial Protection Bureau

[16] A large corporate is any enterprise that does not meet the SME classification provided in Commission Recommendation 2003/361/EC. A large corporate employs more than 250 persons and has an annual turnover exceeding EUR 50 million and/or a balance sheet total exceeding EUR 43 million.

medium-sized enterprises would significantly reduce adjustment costs for the market. It would effectively narrow FIDA to a *retail* proposal.

In terms of customers, this measure would lead to the **exclusion of approximately 51,000 large corporates from scope.**[17] Such an exclusion may not significantly impact the volume of customer data in scope, due to the large size of the retail customer base in financial services.[18] However, the amendment could lead to a large reduction in the volume of customer transaction data in scope of Article 2(1) of the FIDA proposal, given that large corporates account for a significant part of overall financial activity across banking, investments and non-life insurance. Where large corporates account for a considerable proportion of clients and policyholders – notably in non-life insurance and investments – overall savings linked to adjustment costs for the market could be considerable.

Example: savings for the investment sector based on the exclusion of large corporates

The impact assessment accompanying the Commission's proposal estimated the original total cost of standardisation for investment firms to be EUR 504 million. Estimates show however that institutional clients – the majority of which are large corporates - hold 75% of the total financial assets (an estimated EUR 66 trillion), while retail investors hold 25% of total assets (an estimated EUR 23 trillion). The exclusion of large corporates from scope would remove the obligation on a data holder to introduce technical interfaces and agree on common data standards for a significant volume of customer transaction data. It would also remove the obligation to provide permission dashboards to large corporates, as well as other cost factors related to the governance of financial data sharing schemes. Based on the above, it is reasonable to assume that a reduction of customer data from the scope could create a **net saving of up to EUR 370 million in the investment sector alone.**

The proposed measure is acceptable as it would not jeopardise the core objectives of the Commission's original proposal. While the proposed measure does reduce access to customer data, the measure would continue to cover a significant proportion of the customer base in financial services and enable value creation for retail individuals and SMEs. Such retail customers stand to benefit the most from FIDA, as they do not have the resources or negotiation power to avail themselves to share their data by other lawful means, such as bilateral contracts.[19]

To further reduce market adjustment costs, **a time-bound limit on the amount of customer transaction data** in scope could be introduced. Allowing a financial data sharing scheme to limit access to customer data that has been collected more than 10 years prior to a data request when such data is not readily available in digital form, and is not part of contractual conditions, could lower adjustment costs for the market. This measure would however still allow a financial data sharing scheme to digitise more than 10 years of transaction data if members agree this is

[17] Eurostat, Structural Business Statistics (2024), Key figures on European business – 2024 edition

[18] Large enterprises account for a small minority of the overall customer base. According to the RIS impact assessment, the retail customer base in the investment sector is estimated at 49-58.5 million individuals. Under the FIDA proposal, data holders will need to put in place technical interfaces to ensure these retail contracts are accessible. RIS Impact Assessment (2023). EUR-Lex - 52023SC0278 - EN - EUR-Lex

[19] The innovation gains of FIDA are centred on retail individuals and SMEs, see Annex 7 of the impact assessment accompanying the FIDA proposal, EUR-Lex - 52023SC0224 - EN - EUR-Lex

required, for example, for data-driven services with a longer time horizon.[20] As part of this measure, Commission services could also support the exclusion of customer data on **terminated contracts** that are no longer active. This measure, while reducing market adjustment costs, would not affect the core objectives of the Commission proposal.

3.2 Number of entities in scope

Excluding large corporates from the definition of a 'customer' would effectively narrow FIDA to a *retail-centric* proposal, as explained in Section 3.1 above. To ensure policy coherence with Section 3.1, the Commission services could also agree to **exclude reinsurance undertakings and credit rating agencies**, given that the customer data held by these entities are comparatively of less relevance to retail customers.[21] This measure would further reduce adjustment costs for certain sections of the market. That being said, the inclusion of entities that hold customer data on **occupational pension** schemes – notably institutions for occupational retirement provision (IORPs) and relevant insurance undertakings – remains relevant as these are core retail-centric products of a customer. Occupational pension products are high-volume retail products that form an important part of customers' financial assets and play a key role in enabling better investment advice.[22] To achieve policy coherence, the Commission services would strongly recommend co-legislators to reassess positions on occupational pensions. This is key and in line with the objectives of the Savings and Investments Union (SIU) to enhance retail participation and further development of the supplementary pension sector.[23]

In addition to certain exclusions, **proportionality could be revisited** to further reduce market adjustment costs for smaller firms that are data holders. Though their business is often retail focused, smaller financial firms hold less customer data in absolute terms relative to larger financial firms. The Commission services could accept measures that seek to **exclude smaller firms** in line with sectoral rules (small ancillary insurance intermediaries when falling under Article 1(3) of Directive (EU) 2016/97 on insurance distribution, small IORPs referred to in Article 5 of Directive (EU) 2016/2341 on IORPs).

Recommendation:

To simplify FIDA, Commission services could support measures that:

- Narrow the customer base to natural persons and SMEs to reduce FIDA to a 'retail-centric' proposal;
- Set a time limit for past transaction data;
- Exclude terminated contracts;
- Exclude credit rating agencies and reinsurance undertakings;
- Increase proportionality for ancillary insurance intermediaries and small IORPs.

4. Simplification of schemes and reducing the burden of standardisation

[20] Certain services, such as creditworthiness assessments of SMEs, may require customer data with a longer time horizon that may surpass 10 years.

[21] Ultimately, reinsurance undertakings fulfil business-to-business contracts for insurance undertakings, while credit rating agencies may hold large amounts of corporate data that are excluded from scope as it qualifies as confidential inside information under the Market Abuse Regulation.

[22] Occupational pensions hold assets worth EUR 2.72 trillion on behalf of an estimated 71 million natural persons in the EU. See EIOPA: IORPs in focus Report (2024) Cross-border IORP and EIOPA occupational pensions statistics update (2023), Occupational pensions statistics - EIOPA.

[23] Recital 15 FIDA, FIDA proposal (2023) EUR-Lex - 52023PC0360 - EN - EUR-Lex

4.1 A common approach on standards

The FIDA proposal obliges data holders and data users to work in financial data sharing schemes to introduce technical interfaces (APIs) and agree on data standards to allow for access to customer data in scope (Article 10(1)(g)). Data and API standards are needed to achieve interoperability, which is a prerequisite for data access to take place effectively.[24] The impact assessment accompanying the FIDA proposal determined the development of common standards to be the highest cost factor related to FIDA implementation.[25] A major concern of the co-legislators thus relates to the cost of standardisation, and the need to simplify interoperability and avoid fragmentation of financial data sharing schemes.

The Commission services have identified two approaches to address the abovementioned concerns. A first approach would be to maintain the logic of the Commission's FIDA proposal and to clarify that common standards should be based on market-driven consensus by members of financial data sharing schemes.[26] This clarification would ensure that financial data sharing schemes are free to agree on the level of standardisation for customer data in order to fulfil the obligations under the FIDA proposal: the market can therefore self-manage the associated costs of their development. However, this approach involves trade-offs: although it grants financial data sharing schemes the flexibility to set standards, its decentralised nature does not address the concerns around interoperability and the need to avoid fragmentation between schemes.

A second approach would be to follow a similar procedure as in Article 33 of the Data Act, and establish a common level of functionality for APIs and for customer data based on the minimum requirements for access to customer data established in Article 5 of the FIDA proposal.[27] The Commission could, in accordance with Regulation (EU) No 1025/2012 on European standardisation, request European standardisation organisations (ESOs) to develop harmonised standards to support the market to demonstrate conformity with these minimum requirements in Article 5 of the FIDA proposal. The minimum requirements in Article 5 of the FIDA proposal could be further specified in order to support such an approach. Moreover, the requests and deadline for the development of these harmonised standards could be timed with the implementation deadlines in Article 36 of the FIDA proposal.

This approach would bring efficiency gains by reducing market fragmentation and guaranteeing harmonised standards across financial data sharing schemes. Harmonised standards would reduce costs related to agreeing on standards individually in separate financial data sharing schemes. This measure could rely on Union financing, subject to further clarification of arrangements related to the standardisation requests to the ESOs.[28] This is a cost that would be offset by the savings for the market: the standardisation requests to the ESOs would effectively

[24] FIDA impact assessment (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex

[25] According to the impact assessment accompanying the FIDA proposal, the total costs of implementing common standards and putting in place APIs is estimated to be in a range of EUR 2.2. - 2.4 billion, with the insurance sector baring the largest portion of these costs at EUR 1.4 billion. FIDA proposal (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex.

[26] Article 10(1)(g) is not prescriptive on standardisation but rather obliges a financial data share scheme to 'include common standards' that fulfill the obligation of Article 5(1), see also Recital 25. FIDA proposal (2023), EUR-Lex - 52023SC0224 - EN - EUR-Lex.

[27] Article 33(1) of the Data Act detail the 'essential requirements' for data interoperability that form the basis for a request to the European standardisation organisations. These include both the technical means to access data (APIs) as well as data structures and formats. Article 33 of the Data Act (2023) Regulation - EU - 2023/2854 - EN - EUR-Lex.

[28] Instruments of Union financing are detailed in Article 17 of the Regulation (EU) 1025/2012 on European standardisation.

cross-subsidise the costs of developing interoperable standards.[29] Relying on the ESOs would maintain coherence with the market-driven approach of the Commission's FIDA proposal, as these standardisation deliverables are developed through direct market involvement.[30] Moreover, limiting the request for harmonised standards to a set of *minimum* requirements would ensure that financial data sharing schemes could continue to build on or enhance these standards.

This approach would cover FIDA-specific standardisation obligations and it would take into account the crosscutting interoperability efforts undertaken in the context of the Data Act. Under Article 33(4) of the Data Act, the Commission has requested the ESOs to develop harmonised standards to enable the interoperability of data, data sharing mechanisms, as well as of common European data spaces.[31] The ESOs will deliver a European Trusted Data Framework which includes technology-agnostic harmonised standards on trusted data sharing around 2026.

4.2 Customer authentication and identification

An additional source of potential fragmentation stems from the introduction of amendments by co-legislators on the development of customer authentication and identification methods in financial data sharing schemes. Novel or parallel technical processes on authentication that are developed by individual financial data sharing schemes may lead to fragmentation between schemes, as well as for customers of data users. To ensure interoperability, measures on customer authentication could be streamlined by referring to the voluntary use of European Digital Identity Wallets.[32] European Digital Identity Wallets are key enablers of simplification and could streamline requirements which necessitate customer identification and authentication – notably when a customer provides permission for data access, or when the data user or data holder is obliged to communicate securely with a customer to fulfil obligations under Article 5 and Article 6. Given that European Digital Identity Wallets are already being developed and will become available in all Member States by the end of 2026, Commission services would actively promote the use of existing solutions to avoid fragmentation and reduce unnecessary implementation burdens.

[29] The administrative costs of developing standards were estimated in the Impact Assessment of the Standardisation Regulation 1025/2012 at EUR 1 million per standard. In 2024, an action grant to support standardisation activities under the Single Market Programme (SMP) Standardisation Pillar was granted to CEN to develop a European (EN) standard and Technical Specification (TS) for an API and a data standard for customer data related to non-life insurance. This standardisation project ('FIDAInsurStand') was allocated a maximum grant amount of around EUR 300,000. These give indications of the range of administrative costs.

[30] Article 10 of Regulation (EU) No 1025/2012 (2024), EUR-Lex - 02012R1025-20241213 - EN - EUR-Lex. Moreover, financial data sharing schemes could rely on existing market standards if they readily conform or can be adjusted to conform with the minimum requirements based on Article 5 of the FIDA proposal. Complying with these minimum requirements would have the same effect as complying with the harmonised standard.

[31] Article 33(1) of the Data Act detail the 'essential requirements' that form the basis for a request to the European standardisation organisations. These include both the technical means to access data (APIs) as well as data structures and formats. Article 33 of the Data Act (2023) Regulation - EU - 2023/2854 - EN - EUR-Lex.

[32] Article 5 of Regulation (EU) 2024/1183, Regulation - EU - 2024/1183 - EN - EUR-Lex

Recommendation:

To simplify FIDA, Commission services could support measures that:

- Ensure baseline interoperability between financial data sharing schemes by requesting ESOs to develop harmonised standards based on minimum requirements in Article 5 of the FIDA proposal;
- Include the voluntary use of European Digital Identity Wallets to enable customer authentication and identification in a harmonised manner.

5. Simplification of rules on gatekeepers

Commission services recognise the concern that co-legislators have raised regarding access to FIDA by undertakings designated by the Digital Markets Act as gatekeepers. Gatekeepers have considerable economic power and are able to leverage their advantages, such as their access to large amounts of data, from one area of activity to another. Some of those undertakings exercise control over whole platform ecosystems in the digital economy and are extremely difficult to challenge or contest. This could lead to serious imbalances in bargaining power for markets in the digital sector.

Both co-legislators introduce a second assessment to scrutinise gatekeeper access to FIDA (as designated under the Digital Markets Act). These National Competent Authority (NCA)-run second assessments however could lead to administrative burden for NCAs and de facto legal fragmentation, as the designation of gatekeepers is carried out at Union level. To simplify the legal text and ensure more effective outcomes, the Commission services would recommend co-legislators to pursue two measures that would align FIDA to the horizontal data framework and rely on rules established in the Data Act and the Digital Markets Act.

First, undertakings designated as a gatekeeper pursuant to Article 3 of the Digital Markets Act could be excluded from the Financial Information Service Provider (FISP) license. This would align FIDA more closely with the horizontal rules of Article 5(3) of the Data Act, where undertakings that are designated as a gatekeeper are not eligible to benefit from the right to data access. A clarification should be made to the recitals as to the legal implications of such an exclusion similar to recital 40 of the Data Act.[33]

Second, for licensed financial institutions that are listed in Article 2(2) (a) - (n) of the FIDA proposal and are owned or controlled by undertakings designated as a gatekeeper, the Commission services would recommend cross-referring to the relevant provisions of the Digital Markets Act, notably Articles 5(2) and 6(2), which contribute to ensuring that gatekeepers do not obtain an unfair advantage over other market participants. Article 5(2) prohibits gatekeepers from combining and cross-using personal data from different services with personal data from their core platform services, unless the end user has given consent. Article 6(2) prohibits the gatekeeper to use, in competition with businesses, any non-public data that is generated by these businesses in the context of their use of a core platform service.

[33] Like the Data Act, such an exclusion does not prevent those undertakings from obtaining and using the same data through other lawful means, such as voluntary agreements (Data Act, recital 40). Regulation - EU - 2023/2854 - EN - EUR-Lex

Recommendation:

To simplify FIDA, Commission services could support measures that:

- Align to the Data Act by excluding gatekeepers and their subsidiaries from the Financial Information Service Provider (FISP) license;
- Rely on the Digital Markets Act to regulate licensed financial institutions that are owned and controlled by gatekeepers.

6. Empowerments for Level II and Level III mandates

The empowerments for Level II and Level III mandates are currently as follows:

	COM proposal	**EP text**	**Council text**
Article 6(2b)	-	Joint ESAs RTS on the implementation of data access	-
Article 7(2)	EBA guidelines on data use perimeters for credit score of consumers	EBA guidelines on data use perimeters for credit score of consumers, mortgage credit agreements, accounts, investment products	EBA guidelines on data use perimeters for creditworthiness assessment of consumers or other guidelines if EBA concludes it is necessary
Article 7(3)	EIOPA guidelines on data perimeters related to risk assessment and pricing of consumers in case of life, health and sickness insurance products	EIOPA RTS on data perimeters related to risk assessment and pricing of consumers in case of life, motor, home, health and sickness insurance products	EIOPA guidelines on data perimeters related to risk assessment and pricing of consumers in case of life insurance products and non-life insurance
Article 7(3a)	-	-	ESMA guidelines for other products or services if ESMA concludes it is necessary
Article 7(4a)	-	ESA guidelines on the processing of non sensitive KYC data for business customers	-
Article 8(2a) EP, Article 8(4a) Council	-	ESA guidelines specifying the data on dashboards so they are easily understandable	ESA joint committee guidelines on the application of dashboards.
Article 12(4)	EBA (in cooperation with ESMA and EIOPA) RTS on the authorisation for FISPs	EBA (in cooperation with ESMA and EIOPA) RTS on the authorisation for FISPs	ESAs RTS on the authorisation for FISPs
Article 28(4a)	-	-	ESAs RTS on cooperation arrangement between home-host authorities

To simplify the text and reduce administrative burden for all actors concerned, the Commission services recommend limiting empowerments for Level II regulatory technical standards and Level III guidelines to what is essential for the effective functioning of the FIDA Regulation. To address consumer protection concerns expressed by the co-legislators in their amendments, the Commission services can show openness to expanding existing guidelines originally stated in the Commission proposal for the data use perimeter in areas where the co-legislators have expressed policy agreement. This includes expanding the EIOPA empowerment to cover both

life and non-life insurance data and showing openness to the introduction of periodic reviews to ensure the effectiveness of the data use perimeter. However, the Commission services would caution against adding new empowerments at Level II or Level III as such additional empowerments would likely add complexity and administrative burden, instead of catering for simplification. In addition, co-legislators have not proven a demonstrable need for such empowerments.

Recommendation:
To simplify FIDA, the Commission services could support measures that:
- Limit empowerments to what is absolutely necessary.

7. Alignment with the PSD3/PSR framework

Commission services recognise the need to ensure consistency with open banking provisions under PSD3/PSR as a key priority for simplification. Recommendations to achieve such alignment continue to be conditional on the positions of the co-legislators on PSD3/PSR, for which negotiations are ongoing.

7.1 Simplified procedure for Account Information Service Providers

The co-legislators both oblige Account Information Service Providers (AISPs) under the Payment Services Directive framework to be authorised as a Financial Information Service Provider to access customer data in scope of the FIDA proposal. These amendments are justified on the grounds of maintaining level playing field amongst data users, as AISPs under the PSD2 framework are not authorised as licensed entities but are registered. However, they would result in added administrative burden, created by (de facto) dual licensing.

To streamline the process, Commission services would suggest co-legislators to instead examine a simplified authorisation procedure for AISPs as part of the FISP authorisation, whereby legally valid information held on an entity registered as an AISP would not need to be re-submitted – while other core requirements for authorisation (e.g. professional indemnity insurance) could be reused.

7.2 Permission dashboards

Commission services welcome that co-legislators agree that Article 8 of the FIDA proposal and Article 43 of the PSR proposal should remain aligned. As PSD3/PSR and FIDA negotiations progress, additional requirements submitted by the co-legislators should be scrutinised to limit fragmentation and ensure the smooth functioning of the dashboard both in the PSR and FIDA proposals.

Recommendation:

On the interaction with 'open banking' under PSD3/PSR, Commission services propose to:
- Examine a simplified authorisation process for registered AISPs;
- Ensure alignment of the permission dashboards under the FIDA and PSR proposals.