

Open Banking Implementation in Albania – Challenges and Recommendations

Findings from a sector-wide survey - December 2025

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Albania: Regional pioneer in Open Banking

Legal foundation

Albania was the **first country in the region** to transpose EU PSD2 via Law No. 55/2020 "On Payment Services"

- Regulation No. 29/2022 sets SCA and API standards
- Public register of licensed institutions maintained by BoA
- Cooperation with AKSHI and AKSK on security

Market status

11 licensed banks supervised by BoA, plus ~24 non-bank financial institutions

- First open banking license granted November 2024
- Two institutions currently offer open banking services
- First successful PIS/AIS transactions completed

Open Banking services in the market



Account Information Services (AIS)

Read-only access to payment accounts held with account-servicing PSPs



Payment Initiation Services (PIS)

Initiation of credit transfers from customer accounts held at banks



Confirmation of Funds (PIISP)

Real-time availability checks on funds for transactions

Most banks now provide developer portals and sandboxes aligned with Law 55/2020 requirements, exposing PSD2-type APIs for these services.

Survey methodology

01

Objective and expectations

Identify concrete compliance gaps that are not visible from high-level reporting and understand API readiness and quality.

Equip BoA with a supervisory monitoring tool that can be repeated periodically and give market participants a benchmark against peers and highlight where further investment is needed.

03

Dual scoring system

Compliance percentage (implementation depth) and completeness percentage (response quality)

02

Five key dimensions

Governance & Compliance, API & Interface, Monitoring & Contingency, Berlin Group Conformance, Strong Customer Authentication

04

Weighted questions

Core regulatory requirements (3), audit/governance (2), optional or unregulated practices (1)

Overall implementation status

77%

Average compliance

Across all respondents and sections

78%

Average completeness

Strong response rate provides solid supervisory basis

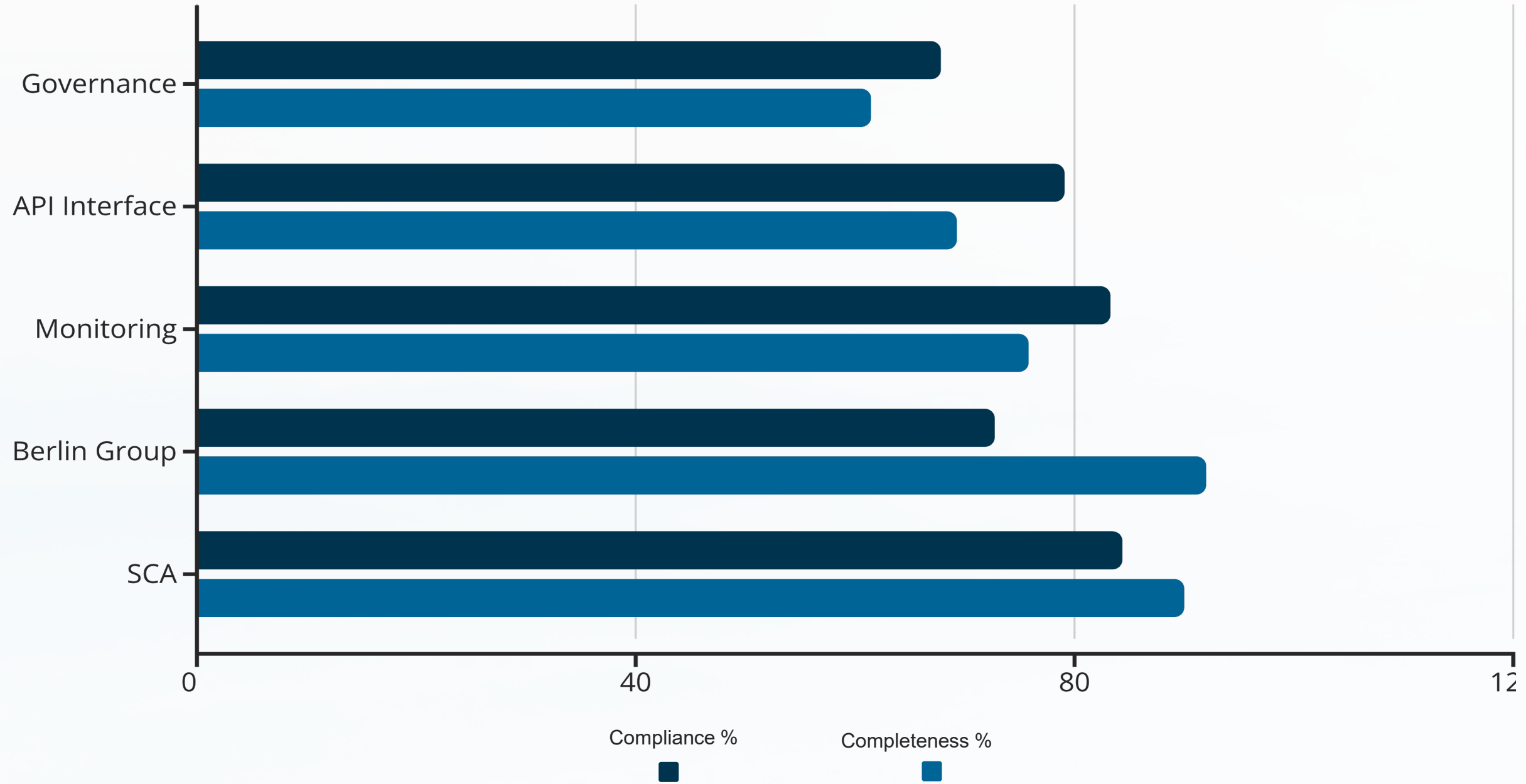
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Institutions surveyed

10 banks and 3 non-banks. Representing virtually all relevant market players



Section-Level performance: All respondents



Key insight: Technical and security pillars (APIs, SCA, monitoring) are relatively advanced. Governance and formal compliance frameworks need further improvement.

Critical gaps: Governance & Compliance

Independent audit

46% compliance: External IT security audits of open banking frameworks are rare. Most security assessments conducted internally only.

Documented framework

58% compliance: Two banks lack documented open banking-specific compliance frameworks separate from generic policies.

Internal audit integration

65% compliance: Suggests that Open banking is not systematically integrated into internal audit plans or risk review cycles.

Vendor management

Most respondents engage vendors with access to customer data. Scope of relationships needs case-by-case supervisory review.



Technical gaps: API & Interface

Extended APIs beyond PSD2 minimum

27% compliance: Open banking still treated primarily as compliance obligation, not innovation platform. Few institutions developing value-added services.

QES Certificate verification

69% compliance: Ability to verify Qualified Electronic Signatures of TPPs shows partial implementation with room for improvement.

TPP issue management

Processes to monitor TPP-reported downtime, latency and errors not yet universal or fully structured across institutions.

Monitoring & SCA implementation challenges

Monitoring weaknesses

- **42% compliance** on API usage KPIs (error rates, latency, conversion)
- Three banks lack availability dashboards
- Incident management for open banking APIs not always distinct from generic IT processes
- Most banks publish quarterly performance KPIs

SCA concerns

- **58% compliance** on SCA exemptions and Transaction Risk Analysis indicating conservative approach limits use cases (e.g., public transport payments)
- Redirect authentication dominates (81%) vs. embedded (27%) and decoupled (65%)
- Impacts instant payment system adoption

Berlin Group conformance: Mixed progress

High awareness

92% completeness shows universal awareness of Berlin Group standards

1

Version management

Not all institutions have structured processes for managing API versioning and communicating changes to TPPs

2

3

4

Uneven SCA flows

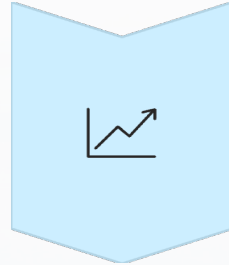
46-65% compliance on specific SCA approaches (redirect/decoupled/embedded)

Communication gaps

Practices vary widely: some use only email, others have dedicated portals

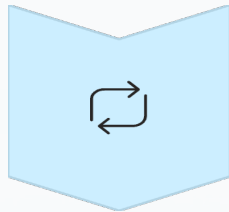
 **User experience concern:** Redirect authentication is safest but severely restricts use cases and customer journeys

Recommendations for Bank of Albania



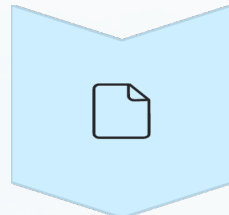
Prioritize efficient OB implementation – beyond compliance

PSD2 OB was introduced to increase efficiency of the market and this shall be prioritized. In PSD3 and PSR these elements will be strengthened anyway, so better to start now. Formal OB will reduce the uptake of other initiatives like IPS.



Institutionalize survey

Make this an annual/biennial supervisory tool integrated into risk-based supervision framework



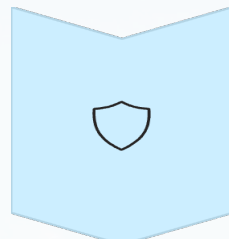
Focus Supervisory attention on strengthening Governance requirements

Require documented frameworks with Board approval, explicit internal audit coverage, and vendor risk assessment



Consider setting minimum KPI expectations

Define required metrics for uptime, latency, error rates, TPP usage, and fraud. Consider real-time API-based data exchange.



Clarify SCA guidance

Provide clear guidance on Transaction Risk Analysis exemptions aligned with EU practice while maintaining fraud monitoring

Recommendations for market participants

Close Governance gap

Prioritize formalizing open banking frameworks: policies, Board approvals, internal audit scope, clear accountability

Shift to product mindset

Move from "PSD2 compliance" to "open banking as product" with extended APIs, clear KPIs, and business owners

Standardize & Cooperate

Through associations such as Albanian Association of Banks and emerging Balkan Fintech Association, agree on common Berlin Group interpretations, SCA exemptions, and KPI definitions

Share best practices

Collaborate on TPP onboarding, certificate management, and QES validation as AKSHI/AKSK processes mature

 Lack of standardization will reduce API usage and lead to sunk costs

IFC - Digital Financial Services Project Support



Premium API identification and standardization

Work with private sector to identify commercially viable open banking propositions beyond compliance minimum

Explore jointly with the market and regulators the need and benefit in designing standardized APIs to ensure smooth and efficient operationalization of OB.



Capacity building

Technical workshops for BoA on API architectures, Berlin Group conformance, TPP supervision, and risk-based SCA implementation



Authentication expansion

Support standardization and expansion of authentication methods based on identified use cases



Regional benchmarking

Repeat survey in 18-24 months with regional comparison across Western Balkans to track progress



Key Takeaways

1

Strong technical foundation

Albania's open banking infrastructure is operational with 77% average compliance and first successful transactions completed

2

Governance needs attention

Formal frameworks, Board oversight, and audit coverage lag behind technical implementation—especially for TPPs

3

From compliance to innovation

Market must shift from minimum PSD2 requirements to value-added services and extended APIs

4

Standardization is critical

Industry cooperation on Berlin Group standards, SCA approaches, and KPIs will unlock ecosystem growth

THANK YOU FOR ATTENTION!



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