PSD2 Security Compliance Assurance

PSD2 (Revised Payment Services Directive) legislation has been adopted by the European Parliament and the council of the European Union. It aims at enhancing consumer protection, promoting innovative payment services and improving the security of payment services.

PSD2 has opened a new window in payment services spectrum by enabling third parties to create new financial services (PIS and AIS) through open APIs to customers' bank accounts. XS2A (Access to Account) enablement sought by PISP and AISP for payment services attract numerous threat vectors, which are essentially identified, assessed, and mitigated on a routine basis by PSPs.
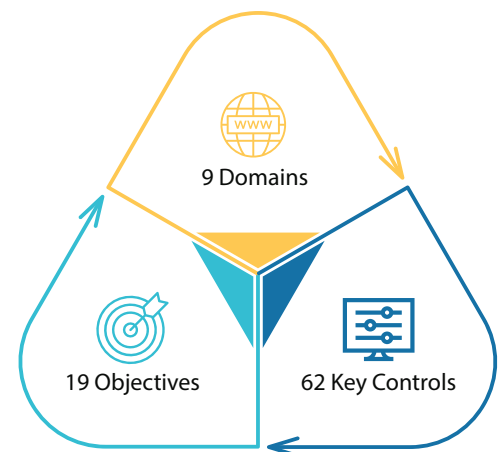
Holistic security requirements not only secure payment transaction information but also establishes confidence between TPPs, PSPs and the PSUs to understand and maintain information security in payment services ecosystem.

To ensure payment security and to maintain a robust payment service ecosystem, EBA has regulated set of rules (EBA/GL/2017/17) for high-level payment security. All payment service providers, including banks, payment institutions or third-party providers (TPPs) are required to demonstrate specific security measures in place, ensuring safe and secure payments.

It is mandatory to all PSPs to carry out an assessment of the operational and security risks and to ensure appropriate mitigation measures taken on a yearly basis.

Key security consideration under PSD2:

01 Strong Customer Authentication (SCA)

02 Comprehensive data reporting to EBA

03 Digital platform collaboration to facilitate seamless transaction

04 Compliance assurance and regulatory controls

05 API integration -oriented payment services

06 Fraud detection and transaction security

9 Domains

19 Objectives

62 Key Controls

PSD2 Operational & Security Assessment Framework

Happiest Minds Technologies facilitates PSPs for PSD2 compliance assessment through its proven methodology as follows:

As-is Assessment

Recommendations

Remediation

Compliance Dashboard & Reporting

Annual Assessment and Maturity Evaluation

Continuous Control Monitoring through Automation

Happiest Minds' consulting team would closely work with Banks, PSPs business and technical stakeholders in understanding and documenting the current security state. Identify the gaps and outline them to align with the business architecture and roadmap. Happiest Minds consultants would automate PSD2 Compliance Assessment and ongoing management using leading technology platform.

Happiest Minds primarily uses EBA guideline aiding effective strategic decisions through rigorous processes and analytical methods. The methodology is workshop based and results in a quantifiable and measurable decision.

PSD2 19 Objectives across 9 domains are:

General principle
- Scope and service categorization

Governance
- Operational and security risk management framework
- Risk management and control models
- Outsourcing

Risk assessment
- Identification of functions, processes and assets
- Classification of functions, processes and assets
- Risk assessments of functions, processes and assets

Protection
- Data and systems integrity and confidentiality
- Physical security
- Access control

Detection
- Continuous monitoring and detection
- Monitoring and reporting of operational or security incidents

Business continuity
- Scenario-based business continuity planning
- Testing of business continuity plans
- Crisis communication

Testing of security measures
- Security controls effectiveness evaluation

Situational awareness and continuous learning
- Threat landscape and situational awareness
- Training and security awareness programmes

Payment service user relationship management
- Payment service user awareness on security risks and risk-mitigating actions

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About Happiest Minds Technologies

Happiest Minds, the Mindful IT Company, applies agile methodologies to enable digital transformation for enterprises and technology providers by delivering seamless customer experience, business efficiency and actionable insights. We leverage a spectrum of disruptive technologies such as: Big Data Analytics, AI & Cognitive Computing, Internet of Things, Cloud, Security, SDN-NFV, RPA, Blockchain, etc. Positioned as "Born Digital . Born Agile", our capabilities spans across product engineering, digital business solutions, infrastructure management and security services. We deliver these services across industry sectors such as retail, consumer packaged goods, edutech, e-commerce, banking, insurance, hi-tech, engineering R&D, manufacturing, automotive and travel/transportation/hospitality.

Headquartered in Bangalore, India; Happiest Minds has operations in USA, UK, The Netherlands, Australia and Middle East.

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