

Client Alert: Introduction to FIDA (Financial Data Access Regulation) – What It Means



What is FIDA?

The Financial Data Access Regulation (FIDA) extends the 'open banking' concept from PSD2 to the entire financial sector across the EU, including Cyprus

- ✓ Enables secure, standardized, customer-controlled access to financial data
- ✓ Covers consumer credit, mortgages, savings, insurance, investments, crypto-assets, and pensions
- ✓ Expected adoption: Later 2026

FAQ

Q1: Who are Data Holders under FIDA?

Data Holders are financial institutions such as banks, insurers, and asset managers that must provide customers with real-time access to their financial data upon request and enable data sharing with authorized third parties.

Q2: What is a Financial Information Service Provider (FISP)?

A FISP is an authorized data user, similar to account information service providers under PSD2. FISPs can access customer data with permission but must comply with authorization and regulatory requirements.

Q3: What are Financial Data Sharing Schemes (FDSS)?

FDSS are collaborative systems involving data holders, users, and consumer organizations that set common standards and governance for secure and standardized data exchange. Membership in at least one FDSS is mandatory for obliged entities.

Q4: When will FIDA come into effect?

FIDA is expected to become effective in phases, with the first products (e.g., consumer credit agreements, accounts, savings, and car insurance) covered from mid to end of 2027. Preparatory work should start immediately.

Q5: What is the Customer Data Access Permission Dashboard?

It is a tool that data holders must provide to customers, enabling them to monitor, manage, and revoke permissions granted for accessing their financial data easily and transparently.

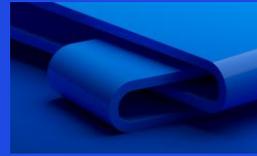
Q6: How does FIDA differ from PSD2?

While PSD2 focuses primarily on payment accounts, FIDA covers a wider range of financial products and emphasizes customer control, competition, and innovation across the entire financial sector.

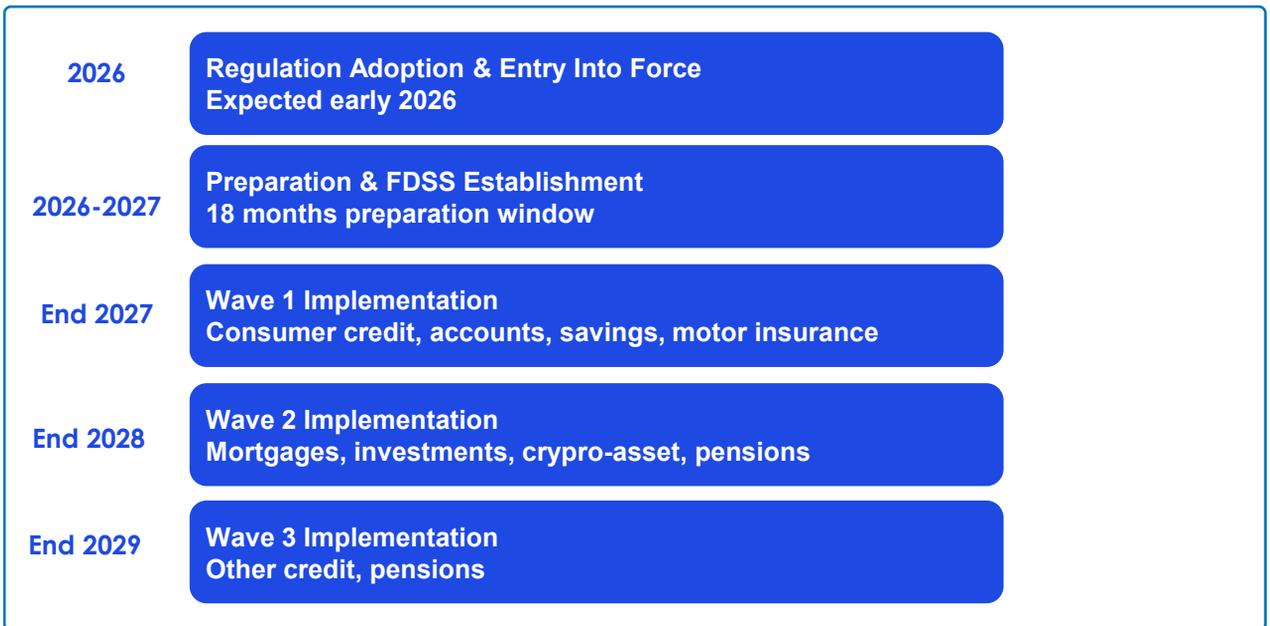
Q7: What are the main objectives of FIDA?

FIDA aims to increase competition and innovation, ensure secure financial data exchange, establish comprehensive regulatory requirements, and empower customers with control over their data.

FIDA Implementation Timeline and Product Scope



FIDA Implementation Timeline



Product Scope: What's Covered for Cyprus Financial Institutions



Core FIDA Requirements – Compliance Roadmap for Cyprus Financial Institutions



Core FIDA Requirements – What your institution must do to comply

Data Access & Sharing

- ✓ Provide real-time API access
- ✓ Free to customers
- ✓ Compensated by data users
- ✓ Standardized data formats

Permission Dashboards

- ✓ Customer-friendly interface
- ✓ Grant/revoke permissions
- ✓ 2-year permission history
- ✓ Transparent and impartial

FDSS Membership

- ✓ Join at least one scheme
- ✓ Participate in governance
- ✓ Agree on standards
- ✓ Compensation negotiation

DORA

- ✓ ICT risk management
- ✓ Incident reporting
- ✓ Resilience testing
- ✓ Third-party management

GDPR Compliance

- ✓ Lawful basis for processing
- ✓ Purpose limitation
- ✓ Data minimization
- ✓ Consent management

Authorization (FISPs)

- ✓ Apply to competent authority
- ✓ Meet organizational standards
- ✓ Ongoing supervision
- ✓ If acting as data user

FIDA-Understanding Your Role(s) as a Cyprus Financial Institution



DATA OWNER

You hold customer financial data

Key challenges:

- Real time API provision
- Legacy system upgrades
- Data quality & governance
- 18-24 month timeline
- Technical infrastructure investment

Key Opportunities:

- Digital transformation
- New revenue streams (data fees)
- Dual-role potential (holder + user)
- Market leadership positioning

Critical Actions:

- Master data assessment (data inventory & quality audit)
- IT infrastructure gap analysis
- Join FDSS scheme (evaluate EU and local options)
- Cost model planning

DATA USER (FISP)

You access customer data (with consent)

Key Opportunities:

- New product innovation
- Comprehensive customer view
- Market expansion (new customer segments)
- First-mover advantage in Cyprus market
- Revenue growth from data-driven services

Key challenges:

- FISP authorization needed (regulatory approval)
- Technical infrastructure build-out
- Product development timeline
- Customer consent strategy
- Go-to-market complexity

Critical Actions:

- Innovation strategy
- Authorization readiness assessment
- IT capability review (API integration)
- Customer acquisition plan

Most Cyprus financial institutions will play BOTH roles – developing an integrated dual-strategy is essential for competitive advantage

Cyprus FIDA Readiness Assessment – Where Does Your Institution Stand?



Cyprus FIDA Readiness – Are you Prepared?

Strategic Readiness	Technical Readiness	Operational Readiness
<p>Do you know:</p> <ul style="list-style-type: none"> • Your FIDA role(s)? • Which data you must share? • Timeline implications? • Business opportunities? • Competitive positioning? <p>Are you:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> A Data Owner? • <input type="checkbox"/> A Data User? • <input type="checkbox"/> Both? <p>Are you:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Frontrunner • <input type="checkbox"/> Prepared • <input type="checkbox"/> Behind 	<p>Can you deliver:</p> <ul style="list-style-type: none"> • Real-time API access? • Standardized formats? • Secure data sharing? • FDSS integration? • Permission dashboards? <p>Do you have:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Modern IT systems? • <input type="checkbox"/> Data governance? • <input type="checkbox"/> Master data mgmt? • <input type="checkbox"/> API capabilities? • <input type="checkbox"/> Security framework? 	<p>Have you established:</p> <ul style="list-style-type: none"> • Executive sponsorship? • Cross-functional team? • Budget allocation? • Vendor relationships? • Training programs? <p>Timeline Status:</p> <ul style="list-style-type: none"> • <input type="checkbox"/> Started preparation • <input type="checkbox"/> Roadmap developed • <input type="checkbox"/> Implementation begun • <input type="checkbox"/> FDSS membership • <input type="checkbox"/> Not yet started

Next step: Schedule assessment

FIDA Impact & Your Action Plan



Opportunities vs Challenges

Opportunities

Broader Customer Data

View complete financial picture for better insights

Product Innovation

Develop personalized offerings based on comprehensive data

New Revenue Streams

Monetize data and create new value-added services

Enhanced Customer Experience

Seamless, integrated services reduce customer friction

Challenges

Loss of Data Exclusivity

Competitors gain access to your customer data

Significant Investment

Costs for API infrastructure, data quality and compliance

Complex Compliance

Navigate FIDA, GDPR, DORA and other regulations.

Compensation Payments

Payments required to access data from other institutions

Your FIDA Action Plan – Next Steps by Readiness Level

If you are Behind Schedule

Immediate Actions:

- Schedule executive briefing session
- Conduct preliminary gap assessment
- Identify internal champion/project sponsor
- Request budget allocation for Q1 2026
- Contact KPMG Cyprus for readiness workshop

If you are Prepared

Immediate Actions:

- Finalize FDSS membership application
- Validate technical architecture design
- Begin API development/procurement
- Establish data governance framework
- Launch internal training program

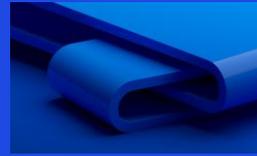
If you are a Frontrunner

Immediate Actions:

- Begin pilot testing with select customers
- Refine go-to-market strategy
- Develop competitive intelligence framework
- Plan innovation lab for new FiDA products
- Engage regulators for early compliance validation



Your FIDA Implementation Roadmap & How KPMG Cyprus Can Help



Your FIDA Action Plan – Next Steps by Readiness Level (continue)

If you are Behind Schedule	If you are Prepared	If you are a Frontrunner
<p>Short-term Actions:</p> <ul style="list-style-type: none"> Establish cross-functional FIDA working group Complete comprehensive data inventory Assess IT infrastructure capabilities Develop high-level implementation roadmap Engage with FDSS schemes 	<p>Short-term Actions:</p> <ul style="list-style-type: none"> Build API prototypes and test environments Define customer consent management strategy Develop permission dashboard specifications Create FISP authorization strategy (if Data User) Establish vendor partnerships 	<p>Short-term Actions:</p> <ul style="list-style-type: none"> Launch beta programs with customers Develop thought leadership content Build strategic partnerships with FISPs Create customer education campaigns Plan for market leadership positioning

How KPMG Can Support You

- FIDA Readiness Assessment
- Strategic Roadmap & Business Case
- Technology and data architecture
- Regulatory Compliance & Governance
- Program Management & Implementation

Contact us

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