

ABC

Open Finance Model in Colombia

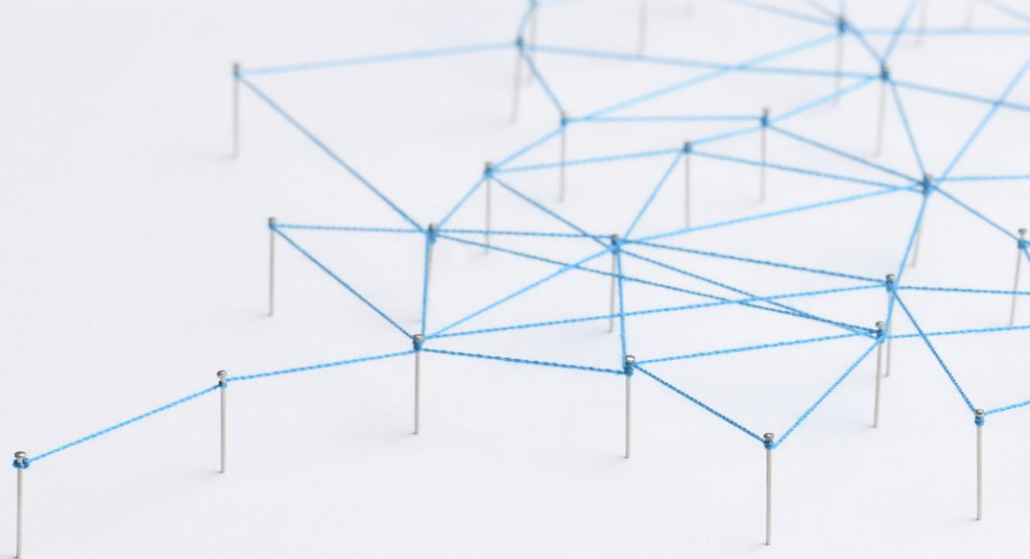


Introduction

This ABC presents technical and up to date information about the Open Finance model in Colombia. It has been developed in collaboration with CMM Estudio Legal, and its objective is to serve as a guiding document for entities in the financial ecosystem to understand the regulatory scope, participants, guiding principles, and operational conditions of this model, as well as its implications for the provision of financial services in the country.

CMM Estudio Legal is a firm specializing in comprehensive legal advisory services for the business sector. It offers solutions in corporate, financial, tax, real estate, labor, competition, and intellectual property law, combining experience and knowledge with a strategic and close approach. Recognized by international rankings such as Chambers & Partners, The Legal 500, Best Lawyers, and Leaders League, the firm stands out for anticipating legal challenges, building trust, and establishing lasting relationships, positioning itself as a key ally in the growth and consolidation of its clients.





What is Open Finance?

Open Finance has been defined by the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia, SFC)¹ as: “the practice in which entities supervised by the SFC open their systems so that financial consumers’ information can be shared in a standardized manner with other supervised entities or with third parties, with the authorization of the financial consumer and with the objective that those entities provide services to those clients.”

The aim is to provide financial consumers with greater control over their personal data and to promote the development of a more transparent, innovative, and accessible financial services market, with products better suited to their needs.²

¹ Technical document “Arquitectura Financiera Abierta en Colombia,” which supported Decree 1297 of 2022.

² Technical document of the Financial Regulation Unit (Unidad de Proyección Normativa y Estudios de Regulación Financiera, URF) that supports proposals to amend Decree 2555 of 2010 regarding the Open Finance system.



How Does the **Payments Ecosystem** Work in Colombia?



The payment system is “an organized set of policies, rules, agreements, payment instruments, entities, and technological components, such as equipment, software, and communication systems, that enable the transfer of funds among system participants, through the receipt, processing, transmission, clearing, and settlement of payment orders or fund transfers”³.

In other words, it includes not only monetary transactions among individuals, financial entities, or companies, but also the technical and regulatory processes that ensure those payments are received, processed, transmitted, and completed securely.

³ Article 2.17.1.1.1 (item 21) of Decree 2555 of 2010.

Participants.

a.

Low value Payment System Administrator (SPBV).

Entities supervised by the SFC that carry out clearing and settlement in one or more payment systems for payment or transfer orders among system participants, and that are the only authorized entities to do so.

b.

Acquirer.

An agent that performs the “acquiring” activity, which includes linking merchants to the SPBV, providing access technologies for payments, processing payment orders, and crediting sales proceeds to merchants or aggregators. The acquirer also manages adjustments for disputes, refunds, or chargebacks, and notifies the outcome of payment orders.

The first three activities may be performed through payment service providers, however, collection of sales proceeds and crediting those proceeds may only be performed by an authorized acquirer, that is, a credit institution, SEDPEs, or unsupervised acquirers.



c.

Proveedores de servicios pago

Agents that, by delegation from the acquirer or the issuing entity, may take charge of one or more of their functions, with the purpose of optimizing and streamlining transactional processes. This definition includes the issuer processor⁴, the acquiring processor⁵, the aggregator⁶, and the access technology provider⁷.



d.

Payment Initiator.

A third party that performs payment initiation activity, different from the payee, the issuing entity, and the receiving entity. **Payment initiation** refers to a third party sending a payment order or fund transfer to the issuing entities of payment instruments, with the payer's prior authorization.

⁴ Transmits the authorization of a payment order or fund transfer to the SPBV Administrator.

⁵ Routes payment orders or fund transfers to the SPBV Administrator.

⁶ Links merchants to the SPBV, provides them with access technologies for the use of payment instruments, and collects, on their behalf, the funds resulting from payment or fund transfer orders in their favor.

⁷ Provides access technologies for the use of payment instruments.

Advantages of Implementing Open Finance in the Payments Ecosystem



1.

Increase in Competition

It mitigates barriers to enter the payment's ecosystem for non bank third parties and new, non traditional financial entities, since it reduces asymmetries in access to financial information for new participants. The participation of new agents promotes a more dynamic ecosystem in aspects such as quality, speed, and diversification of processes and services.



2.

Financial Inclusion

It promotes the financial inclusion of segments of the population that have traditionally been excluded or whose inclusion in the financial system has been limited. Access to alternative financial data allows non traditional entities to build more robust risk models based on the realities and needs of new population segments, enabling savings and credit products for individuals without a financial history.





3.

Cost Reduction

The entry of third parties that offer products and services related to payment initiation and technological infrastructure allows non traditional actors to offer payment services with significant reductions in transaction costs, processing fees, and settlement times.



4.

Incentive for Innovation in Products and Services

It allows different system actors to design and structure products and services that are more personalized, efficient, and centered on the experience and needs of users and consumers. In this regard, innovation should develop not only in the products and services offered, but also in the operational and security aspects of the financial infrastructure.

Challenges and Opportunities for Improvement



Consumer Experience and Data Protection: It is essential to continue strengthening tools that guarantee a simple and clear experience for the consumer, while ensuring the protection of personal data and compliance with the financial consumer rights regime.



Information Security: The opening of data systems represents an opportunity to continue developing mechanisms that reinforce the integrity and protection of information, mitigating potential risks.



Interoperability: Expanding the adoption of technical standards will facilitate the participation of new actors such as fintechs and neobanks, promoting competition and reducing integration costs.



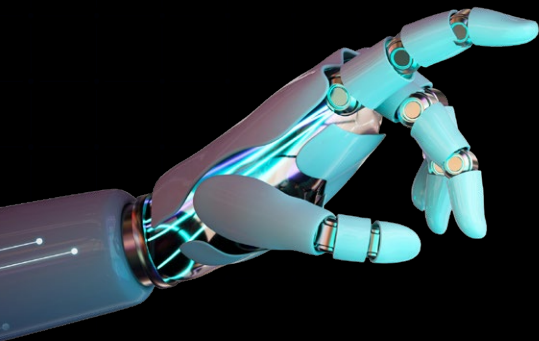
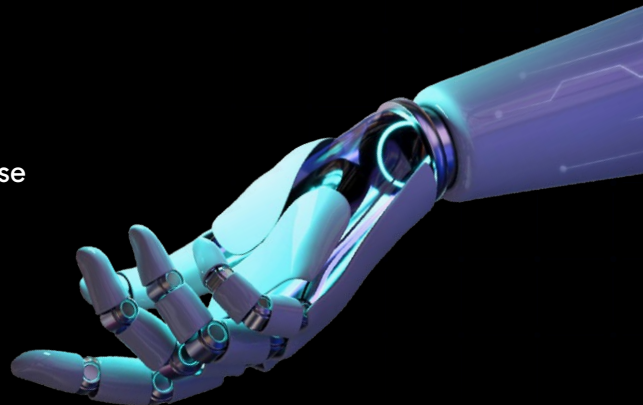
Clarity in Responsibilities: It is advisable to advance guidelines that allow a more precise definition of each actor's roles in the ecosystem, especially regarding technical failures, cybersecurity, and dispute resolution.

Use Cases in Business Models

1.

Banking as a Service (BaaS)

This model allows supervised entities to commercialize their technology and infrastructure to third parties without a license so those parties can integrate supervised entities' financial services into their own commercial offering through APIs. In the payment's ecosystem, this model allows platforms developed by non banking actors to offer services such as issuing digital cards or collection accounts for third parties through their own interface.



2.

Alternative Credit Scoring

Open Finance has enabled the development of so called “alternative credit scoring,”⁸ allowing different system actors to access alternative information, other than indebtedness and payment behavior, such as transactional patterns, preferences, and behaviors, which are useful variables and tools for completing clients' risk analysis and generating more detailed and robust profiles.

⁸ Asobancaria. (2022). “Open Finance: Claves para su adopción en Colombia” (p. 12). Asociación Bancaria y de Entidades Financieras de Colombia. <https://www.asobancaria.com/publicaciones/open-finance-claves-para-su-adopcion-en-colombia/>



Regulatory Framework Update

In June 2025, the Government introduced a draft Decree that amends and supplements Decree 2555 of 2010 to regulate the Open Finance system, in development of Article 89 of Law 2294 of 2023.

This initiative represents a significant regulatory shift by replacing the voluntary model with a mandatory one, in which public and private entities must allow access to useful information to facilitate access to financial products and services, while respecting legal guarantees on the processing of personal data. The draft addresses guiding principles, participants, access conditions, free of charge access, reciprocity, technical standards, and monitoring mechanisms, with the aim of strengthening trust, innovation, and financial inclusion in the country.

In June 2025, the Government introduced a draft Decree that amends and supplements Decree 2555 of 2010 to regulate the Open Finance system, in development of Article 89 of Law 2294 of 2023.

This initiative represents a significant regulatory shift by replacing the voluntary model with a mandatory one, in which public and private entities must allow access to useful information to facilitate access to financial products and services, while respecting legal guarantees on the processing of personal data. The draft addresses guiding principles, participants, access conditions, free of charge access, reciprocity, technical standards, and monitoring mechanisms, with the aim of strengthening trust, innovation, and financial inclusion in the country.





Main Proposed Changes to *Open Finance*:

- All public and private entities with useful data to facilitate access to financial products and services must provide such data on a mandatory basis.
- The obligation to be data providers extends beyond banks and includes insurers, fiduciaries, brokerage firms, pension and severance fund administrators, crowdfunding companies, and other entities supervised by the SFC.
- Charging for access to, or provision of, information is prohibited, access is free of charge.
- Third party data recipients that store information must also act as data providers, ensuring a balanced exchange.
- The roles of participants, including data providers, third party recipients, access service providers, and trusted third parties, and principles such as authorized access, transparency, security, quality, non discrimination, and interoperability are defined.
- The SFC will define, publish, and update mandatory technical, technological, and operational standards to ensure security, interoperability, and efficiency.
- A directory managed by the SFC will identify and authenticate all system participants, with updated information about their roles.
- The concept of trusted third parties is introduced to verify the requirements of non supervised entities and to manage their registration in the directory.
- Only data relevant to the system's objectives will be shared, avoiding access to or use of information that does not contribute to facilitating financial products and services.

Invest in Bogotá



<https://es.investinbogota.org/>



Invest in Bogotá

Subscribe to our specialized content.

