

A Workshop in Open Banking and Fintech

Prerequisites: Principles of Finance, Principles of Accounting

Parallel Requirements: Financial Management or Investment Theory

Spring Semester – 2023-2024

Details of the Groups

Group	Day	Time	Exam Date	Lecturer	Email	Telephone
01	TBD	TBD	As detailed in the exam schedule	Ilanit Navon Adesman		052-8540080

Reception hours: By appointment

Teaching Assistant: TBD

Scope of Studies

2 semester units

4 ECTS = 1 semester unit (ECTS – European Credit Transfer and Accumulation System).

1 semester hour = 2 ECTS (European Credit Transfer and Accumulation System). ECTS is the point value of the course in institutions for higher education throughout the world, which is part of the Bologna Process.

Course Description

The open banking project is a “reality-changing” process in the Israeli banking system that is taking its first steps following the reform that came into effect in Israel during the year 2022.

The purpose of the reform is to promote competition in the banking system in Israel in a way similar to the structural changes that have been made in countries such as England, Australia and Germany, by placing information accumulated by the banks on their clients at the disposal of other financial entities.

Underlying the reform is a competitive approach maintaining that the client who enables information on his/her financial behavior to pass from the parent bank to other entities will be able to obtain value propositions from many corporations, to compare them and to improve his/her financial behavior. Last year, the banking system in Israel introduced a technology that will enable the opening by means of a suitable Application Programming Interface (API) the transfer of information to entities that will receive the appropriate regulatory permission.

Participants in the course will join fintech companies and corporations that take the initial steps under the new arrangement to join the interface and to offer various services to clients in order to enable them a freedom to choose that they had never had before.

The course will be conducted in a special format as a workshop and will enable students to become acquainted with the worlds of content of banking and the banking industry that is developing in Israel, while being actually involved in business activity. It will consist of lectures by experts and regulators and practical experience in the field.

The students will follow various entities such as fintech companies, digital banks, credit card companies, and traditional banks, and will examine the introduction of open banking in Israel with the aim of understanding if the new reform indeed achieves its aims. The experience will provide the students with the opportunity to become intimately acquainted with the ecosystem of the business-financial system.

After the introductory lecture, the students will divide up into teams of three or four members, each team being connected with a specific company (a fintech company, a digital bank, a credit card company, a small bank or a large bank). After the first meeting with the lecturer and the company, and defining the main performance measures, the main part of the work will be carried out independently, with the students meeting with the financial entity without the lecturer. However, the students will be provided with ongoing guidance and support, and they will be required to report on their progress on a weekly basis. In addition, an intermediate meeting will take place for the purpose of control and reporting on the outcomes.

Study Outcomes

1. A close familiarity with the business facets of open banking
2. Familiarity with the regulatory facets of open banking
3. An understanding of the advantages and disadvantages of the reform
4. Practical experience with the activities of the financial industry in Israel
5. Familiarity with the ecosystem of the fintech world

Evaluation of the Student in the Course and Grade Composition

Percentage	Assignment	Date	Group Size/Notes
20%	Home assignment	Class 5	Homework assignment – to be submitted individually by each student
80%	Summarizing project	Three weeks after the end of the semester	Groups of 3-4 students <u>Maximum of 30 students registered for the course</u>

- In accordance with University regulations, students are obliged to attend all classes (Section 5)
- If students do not attend a class that requires active participation or do not actively participate, the lecturer has the right to request that their names be removed from the list of students registered for the seminar. (Such students will be obliged to pay the fee for the seminar.)

Details of the Course Assignments

1. Attendance at the introductory lectures and conducting a personal assignment on the basis of the material presented in them.
2. Division into work teams and active participation in their meetings.
3. Active participation in writing the summarizing work and its presentation with the other members of the team.

The summarizing work will include the following sections:

1. The purpose of the company in introducing services based on open banking.
2. Key performance indicators (KPI) for measuring the added value of the open banking for the company
3. Quantitative analysis and results
4. Conclusions.

The team will send a weekly progress report on the status of the work and the quantitative part of the work will be presented in the summarizing classes at the end of the semester.

Students unable to fulfil assignments must notify the lecturer in advance accordingly (by email)

The Policy of Maintaining a Certain Level of Final Course Grades

As of the 2008-09 academic year, the Coller School has had a policy of maintaining a certain level of the final course grades of its master's programs and it will apply to the final grade of this course. Thus, the average grade in the course (which is an elective course) will be in the range 83-87. Additional information on this issue appears in the Coller School website.

Evaluation of the Course by the Students

At the end of the course the students participate in a teaching survey that aims to draw conclusions for the benefit of the students and the university.

Course Website

The course website (<http://moodle.tau.ac.il>) will be the main place for sending messages to the students. As such, students should update themselves on a weekly basis before each class, and even after the end of the semester (in matters relating to final assignment).

All the relevant course material will appear on the website, including slides of the frontal lectures.

Course Program*

Week	Subjects	Required Reading	Notes
1	Introduction: brief international review of open banking		
2	Mapping of the regulatory system of open banking in Israel: Supervision of banks The Capital Market, Insurance and Savings Authority Israel Securities Authority		
4	Division into teams, meeting with the lecturer and definition of the goals of the specific project of the team		Half an hour for each team
5	First meeting of the team at the company with the lecturer, appointing a liaison at the company and defining the work		In the fifth class a homework assignment for individual

	frame		submission will be announced
6-12	Individual meetings (at least three) of the team with the company, including a quantitative part		
9	Intermediate meeting between the lecturer and the company to confirm progress		
13-14	Presentation of the projects and summary		One or two classes

*The program is subject to change.

Reading

Material relevant to the course

- Financial Information Service Law, 2021
- Instructions for proper banking management 368
- Notice to Providers of Financial Information (under The Capital Market, Insurance and Savings Authority)

Relevant newspaper articles and papers