

# Application Programming Interface

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# What is an API?

- API is the acronym for Application Programming Interface, which is a software intermediary that allows two applications to talk to each other
- APIs provide a secure and standardized way for applications to work with each other and deliver the information or functionality requested without user intervention
- Each time you use an app like Facebook, send an instant message, or check the weather on your phone, you're using an API



# API's Behind the Scenes

- Financial institutions like banks use private APIs to track and manage checking accounts, credit cards, and more
- Retail giants use APIs to communicate with courier networks, ensuring packages are picked up as soon as possible and tracking them as they are moved
- Web applications use APIs to connect user-facing front ends with all-important back-end functionality and data
- Streaming services like Spotify and Netflix use APIs to distribute content
- Automotive companies like Tesla send software updates via APIs. Others use APIs to unlock car data for third-parties



# APIs vs XML

- XML is a data-encoding mechanism
- IACA UCC and BE filing specification use XML to encode data
- IACA UCC XML Spec v4 uses REST API
- An API can encode data via XML, send as plain text, or more commonly uses JSON



# Historical IACA Efforts

- Ongoing UCC XML filing specification
  - XML over HTTP, now XML over REST API
- 2006 Business Entity XML filing specification
  - XML over HTTP; used by Kansas
- 2013 Business Process Design and the High Volume Filer, Best Practices
  - Outlines beneficial B2B filing, search, and administrative interfaces to aid in RFP writing and system modernization
- 2015 Promoting Electronic Filing
  - Target was STS (UCC filing) but equally applies to any electronic interface/API efforts
  - Guidance to jurisdictions when implementing an electronic filing interface (or API)



# Filing Offices Are Using API

- One stop shopping
- Transfer of data to or from another state agency
- Tax Data
- Service of Process (Department of Insurance)
- Law Enforcement



# Service Companies

Filing documents

Use of Data

- Filing Verification
- Fraud Alerts
- Provide timely service to customers
- More effective access to public data



# Why Should a Filing Office Develop API?

- More secure transfer of data, efficient and timely transfer of data
- An API provides you only with data that has been made available to external users
- XML files are slower to transmit and parse
- Simplify services delivery, particularly for mobile applications
- Companies are increasingly looking to APIs to deliver more value to its customers
- Create industry standard with private and public collaboration
- Data available to wider population





# Non-US Jurisdiction Business Entity APIs

Some examples...

- Canada Federal Corporation API
  - Retrieve basic company and director information
- UK Companies House
  - Robust API to retrieve live data
- NZ Companies Office
  - Robust API to retrieve and file NZ companies, property register, etc.
- HK Companies Registry
  - Robust XML interface for e-filing



# Existing US Jurisdictions' Business Entity APIs

- Colorado
  - Public Socrata entity data API
- Delaware
  - Uses XML over WCF (web services)
  - Supports filing, searching, and administrative functions
- Kansas
  - Follows the IACA 2006 BE Filing Specification (XML over SOAP)
  - Supports annual report filing
- Mississippi
  - Custom XML interface over simple HTTP
  - Supports annual report filing



# Best Practices

- Security Posture
  - Authentication
  - Monitoring
  - Throttling
  - Data Validation
  - API Gateway
  - Expert Advice



# Best Practices

- Documentation
  - Examples
- Versioning
- Early Adopters
- Talk to Peers and Trusted Customers



# Roadblocks

- Cost
- IT Resources
- Fee structure
- Change to statute/administrative rules



# DATA, DATA, & DATA

Business and Government require data that is from the source and is current

- Transactions
- Verification
- Tracking data



# Notice of Final Rulemaking

The American Banking Association recommended in its ANPRM comments

“FinCEN must take steps to validate information that has been submitted. This does not require extensive vetting of each entry, but steps to verify the existence and bona fides of the reporting company. Without steps to validate data, the registry will be no more reliable than the current system of collecting information from bank customers and taking it at face value.”



# Compliance With FATF

- FATF recommends that competent authorities have access to adequate, accurate and timely information on the beneficial ownership and control of legal entities.
- Its Guidance on Transparency and Beneficial Ownership explains cooperation between government entities holding such information is essential and communication mechanisms should be established in legislation or regulations to ensure information held by other government entities is accessible in a timely manner





# Verification

A major weakness of the UK register is that the data submitted is not verified and relies entirely on self-reported data from companies. This may result in poorer quality data and less confidence in the register as a useful tool for transparency.

Global Witness Oct. 23, 2017



# Beneficial Ownership Data Standard Approved by UK

“The UK is showing leadership on beneficial ownership transparency by embracing the Beneficial Ownership Data Standard (BODS) and endorsing the importance of openness. Using an open standard for beneficial ownership data will make it easier to produce high-quality data which can be quickly shared with relevant agencies and linked with information from across the world.”



# North Macedonia Beneficial Ownership Registry

- The main innovative elements of the legal framework are using existing databases to populate data fields related to legal entity information and personal information
- In order to provide for a seamless experience for existing users of the online services of the Central Register, the Register is integrated with several existing systems



# Q&A

