



### Digital ID

**Date:** 6 May 2019

**Time:** 09h15 – 11h15

**Venue:** Board Room D, C Building, 4/F

**Moderated by:** Anne Shere Wallwork  
(United States); Maria Do Ceu Da Silva  
Pereira (World Bank)

## 2019 FATF Private Sector Consultative Forum

### Digital Identity

#### *Proposed issues for discussion*

#### *Background*

- The FATF is currently reviewing its Standards to clarify how specific Recommendations apply to the use of digital identity products and services. In particular, the FATF is drafting Guidance to clarify how the Recommendations apply to the use of digital identity products and services for two Customer Due Diligence (CDD) purposes:
  - a) to conduct customer identification and verification for individuals (natural persons) when establishing business relations (on-boarding), and
  - b) to authenticate the identity of on-boarded customers to authorize access to their accounts and other financial products and services.
- The Guidance will address the potential benefits and risks of using digital identity products and services to determine the identity of individuals in the financial sector, as well as ways to assess and mitigate those risks. The Guidance will also address important related issues including the impact of the application of digital identity in CDD on financial inclusion and privacy.
- In clarifying the application of Recommendation 10 to digital identity products and services for identification/verification at onboarding, the Guidance will address:
  - a) The meaning of Recommendation 10’s “reliable and independent” requirement in the context of digital identity products and services;
  - b) How the risk-based approach (RBA) applies to the use of digital identity products and services—including the relationship of digital identity risk management to AML/CFT risk mitigation measures under the RBA; and
  - c) What factors government authorities and financial institutions/DNFBPs should consider in assessing whether the use of specific digital identity products and services satisfies Recommendation 10’s “reliable and independent” criteria.
- A project team, led by the World Bank and the United States, is developing the draft guidance, which is expected to be finalized and adopted by the FATF in October 2019.

### *Key focus and objectives of the session*

#### *Panellists:*

- David Rennie, Idemia
- Vincent Li, Ant Financial Services Group
- Daniel Wager, Lexisnexis
- Nicholas Oakeshott, Unhcr

The FATF seeks input from the private sector on the following points:

#### ***Identity Risk Management Framework***

- What factors should financial institutions and DNFBSs consider in deciding whether specific digital identity products and services comply with Recommendation 10's "reliable and independent" requirement?
- Various jurisdictions have recently established technical standards for levels of assurance (LOAs) for identity proofing and enrollment; credentialing; identity life-cycle management; and federation (e.g., EC/eIDAS; U.S./NIST 800-63); UK (UK.GOV); and Canada (Treasury Board of Canada Standard on Identity and Credential Assurance). How should government authorities and the private sector use these technical assurance standards to comply with Recommendation 10's "independent and reliable" (trustworthiness) requirements—particularly for private sector-provided digital identity solutions?

#### ***Public and Private Sector Roles and Responsibilities***

- What roles should government authorities; national or international private-sector technical standards and certification organizations (e.g., the FIDO Alliance; OpenID; and GSMA); and financial institutions/DNFBSs play in supporting the development of a trustworthy digital identity ecosystem or marketplace of trustworthy digital identity products and services? In the various scenarios possible, who should bear the responsibility where cases of fraud or error are detected?

#### *Expected outcome*

- Private sector input for the FATF Guidance on Digital Identity and identification of participants for further consultation (as required)

#### *Supplementary materials*

- PDG Digital Identity background paper