



EUROSÜSTEEM

# Digital ID and financial inclusion

**Rainer Olt**

Payment and Settlement Systems Department

Operations | Policy | Oversight

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# the safest combination to information security

## Confidentiality

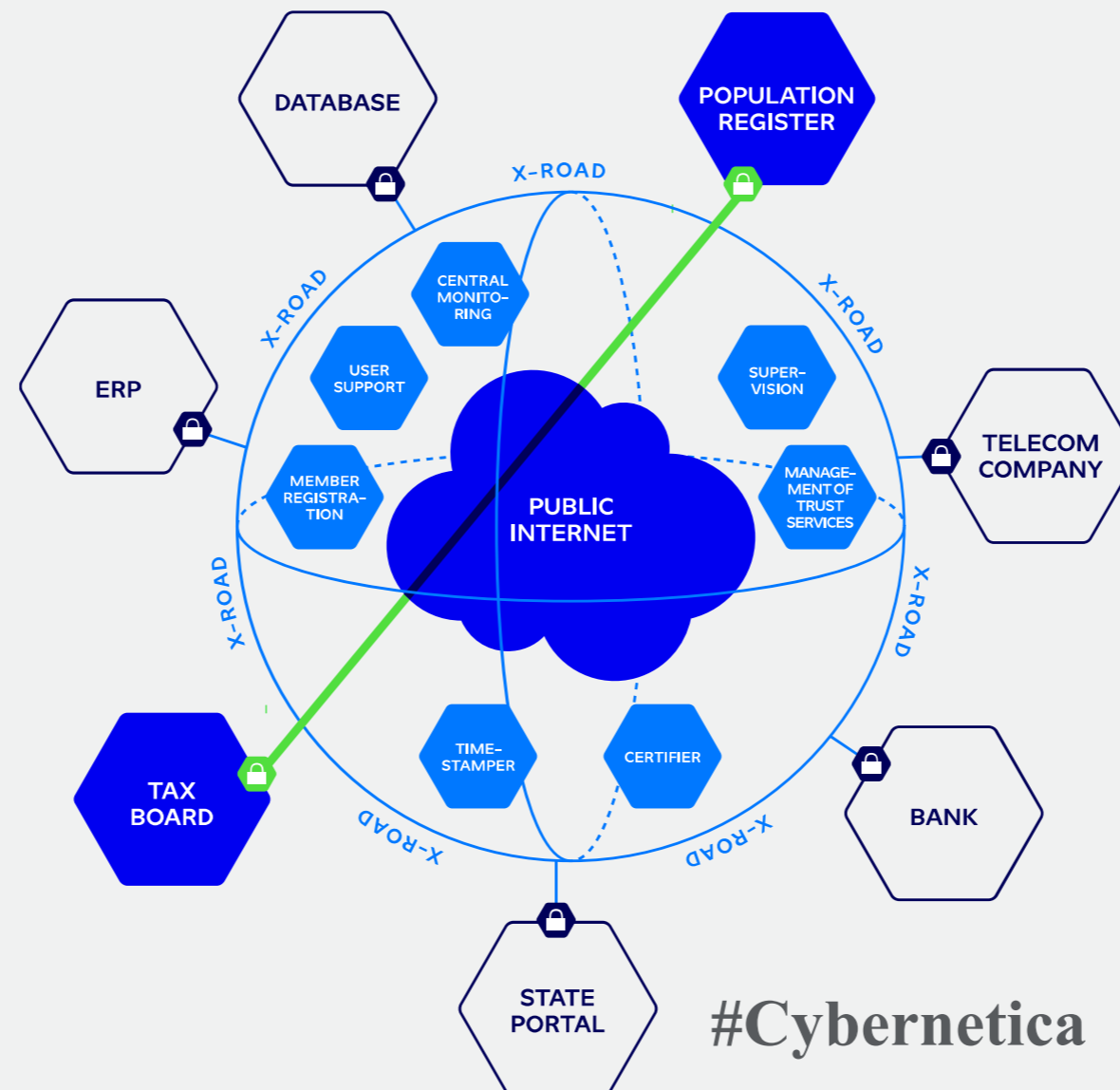
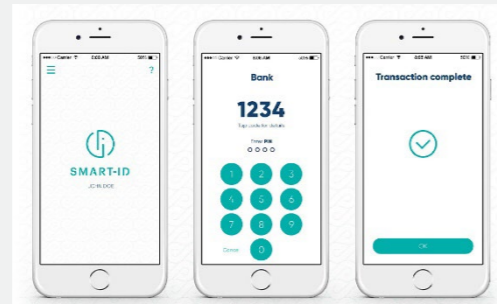
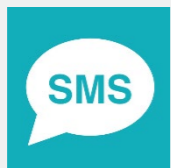
e-Identification: ID-card, mobile-ID, Smart-ID, e-residency card

## Availability

X-Road®

## Integrity

KSI blockchain  
Data Embassy



Estonia uses blockchain technology for integrity verification of government registries and data, since 2012.

No data is saved to the blockchain.

#SK ID Solutions

#Cybernetica

#Guardtime



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# DIGITAL RELATIONS: BETWEEN PEOPLE, BUSINESS, GOVERNMENTS

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- Financial services & payments
- Governmental digital services
- Digital commerce
- Social media

**ID verification + Signature on the contract is a must!**

**Users demand a single solution for eID and eSignature!!**

**Digital identification & signature has to equal giving a wet signature in person!!!**

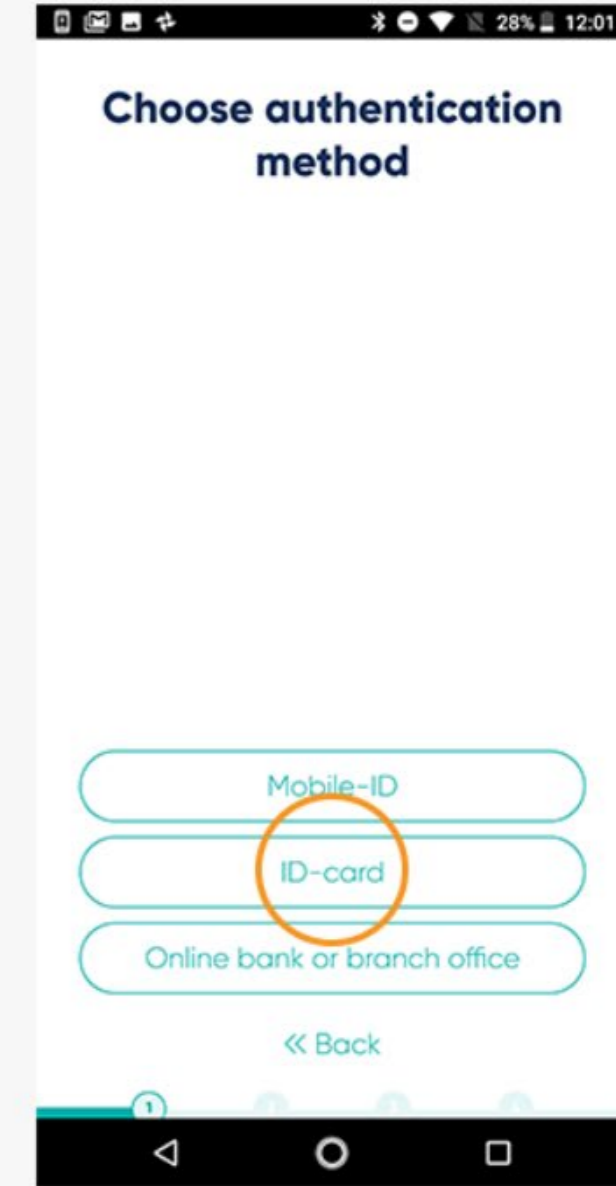
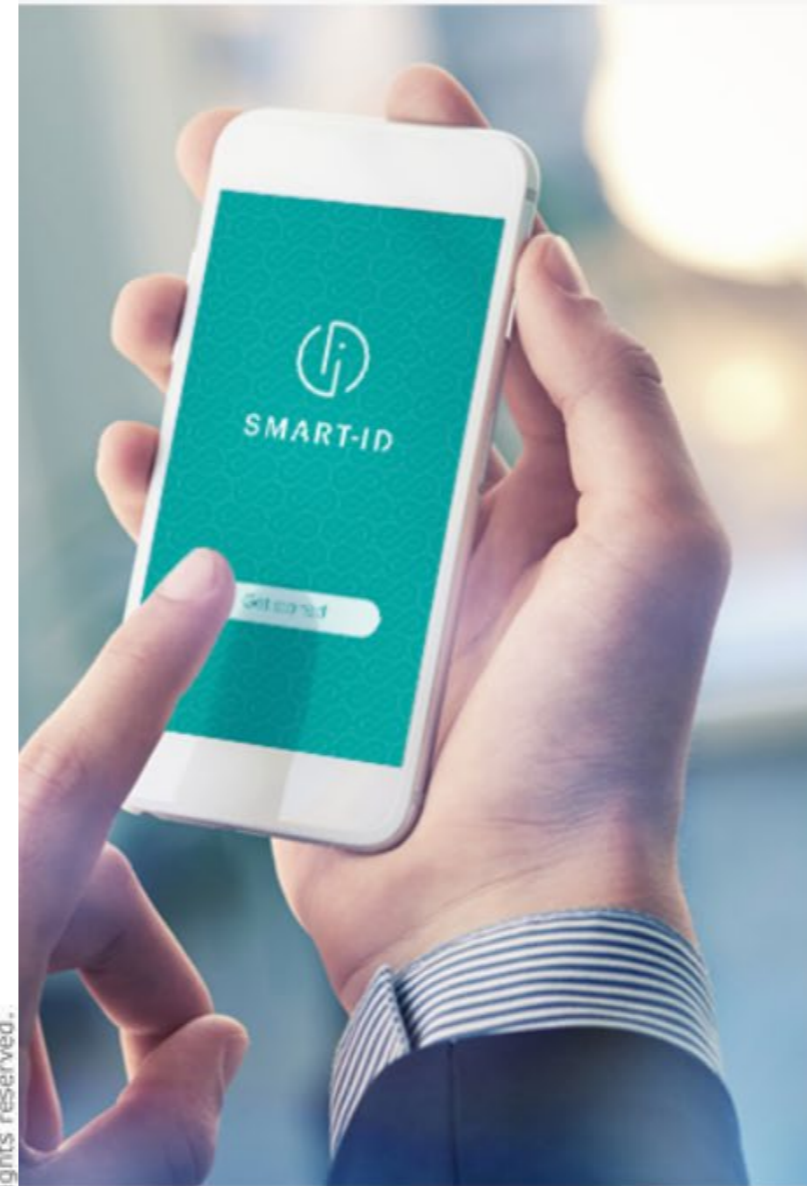


# PRIVATE VS NATIONAL DIGITAL ID & SIGNATURES



*"On the Internet, nobody knows you're a dog."*

©The New Yorker Collection 1993 Peter Steiner  
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**Legal view: physical = digital in case of**

- eID assurance level high
- Qualified Electronic Signature



# PAYMENT RELATED USE CASES

## Onboarding new PSUs remotely

- Identify
- Sign contracts
- Validity check of documents

## Servicing existing customers remotely

- Login to internet/mobile bank
- Authorize payments
- Sign contracts





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# FINANCIAL INCLUSION: eID A SILVER BULLET !?

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No physical presence of PSP – remote locations



Digital literacy needed – may be low among unbanked



A basic payment account to private individuals by law, since 2014



Unbanked want to make remittances, not necessarily a basic payment account



Legal entities established by foreigners have issues



Do digital IDs have the potential to lower risks closer to banks' appetite !?





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# EUROPEAN DIGITAL IDENTITY – 3 PILLARS

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## Strengthen the national eIDs system under eIDAS

- Improve effectiveness and efficiency of mutual recognition of **national eID** and impose their mandatory notification on Member States

## Private Sector as Provider of identity-linked services

- Private providers to offer **digital identity-linked services** by following the (improved) rules applicable for qualified trust services (anchored in national eIDs).

## User Controlled Digital Identity – Personal Wallet

- **European secure “digital wallet” trusted app** on mobile/smartphone allowing the storage and use, under the sole control of the user, of identity data based on common standards

**Commission proposal:** [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_2663](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2663)

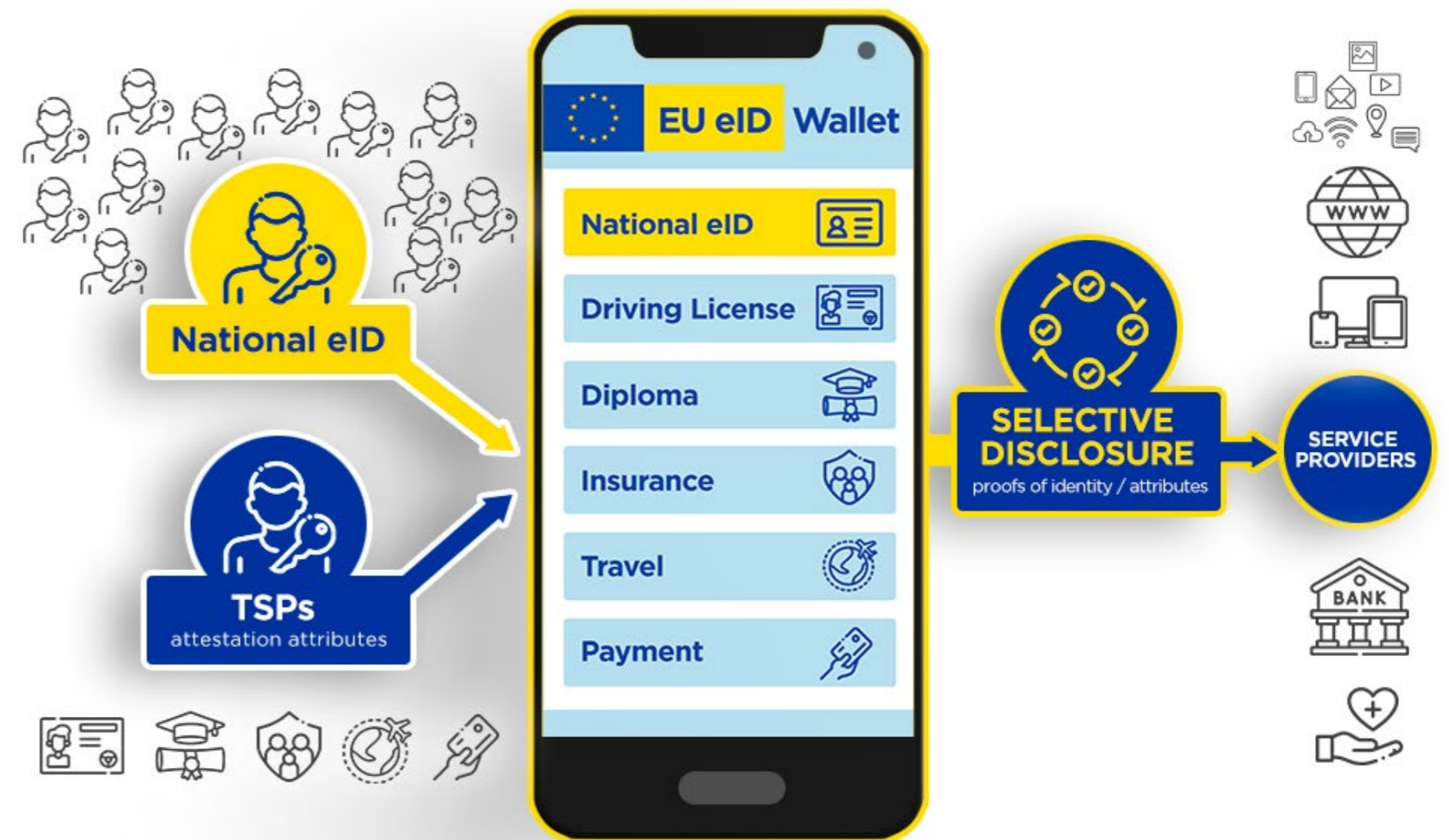


# EVOLUTION TO COME: DIGITAL PAYMENTS INTEGRATED IN THE EU eID WALLET

## EU DIGITAL IDENTITY



#DigitalFinanceEU | #EUdigitalidentity



**BIG QUESTION:** how shall the EU eID wallet enable **use of digital euro**, once the Eurosystem and the EU co-legislators decide to make it a reality; credit transfers vs remittances to enable financial inclusion !?





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**THANK YOU!**

