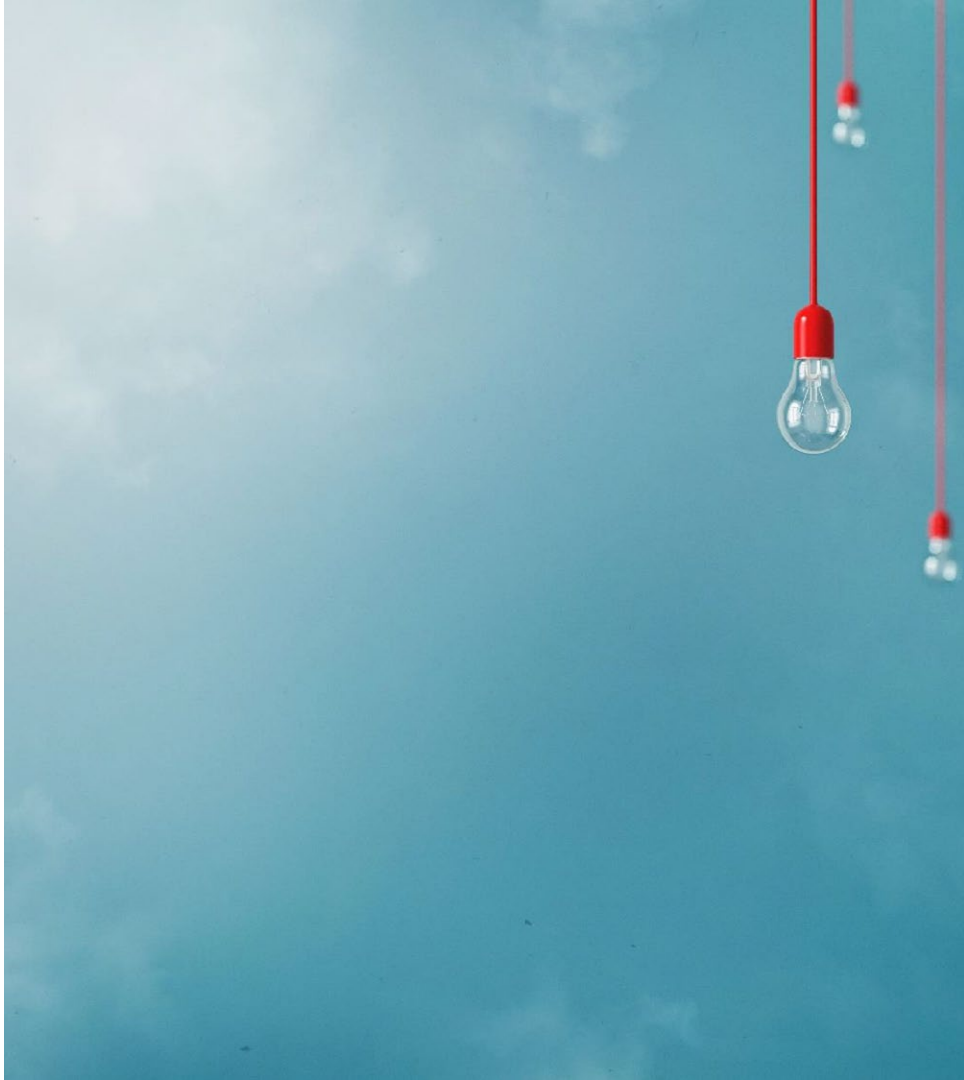
EU Digital Identity Wallet: Cross-border payments use case

Bank of Finland

May 17th 2023



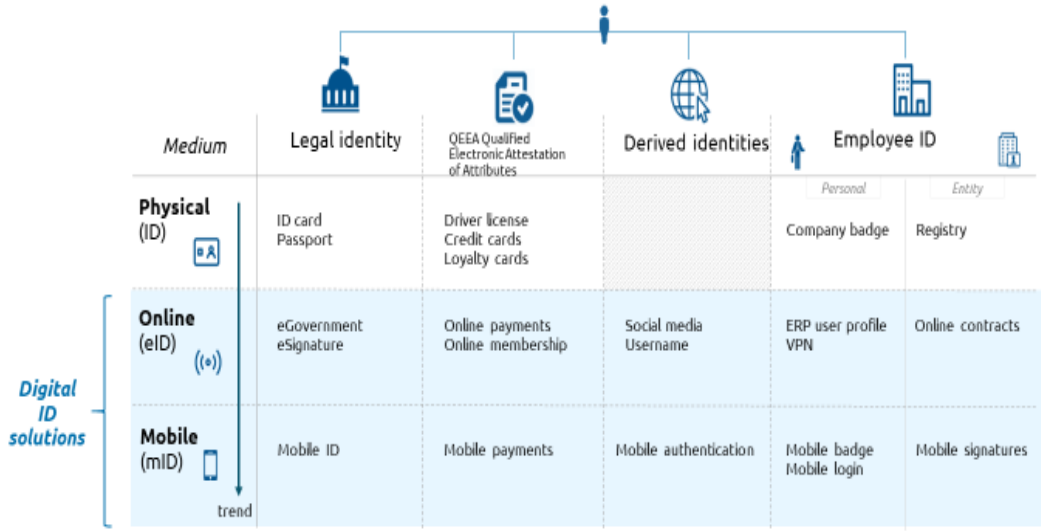
Finanzgruppe
Deutscher Sparkassen- und Giroverband

What are Digital Identities?

People, companies and objects are identified through their attributes.

Types of Digital Identities

DIGITAL ID COVER ALL TYPES OF IDENTITIES, WITH SMARTPHONES BECOMING THE MAIN CHANNEL DRIVING THE ADOPTION



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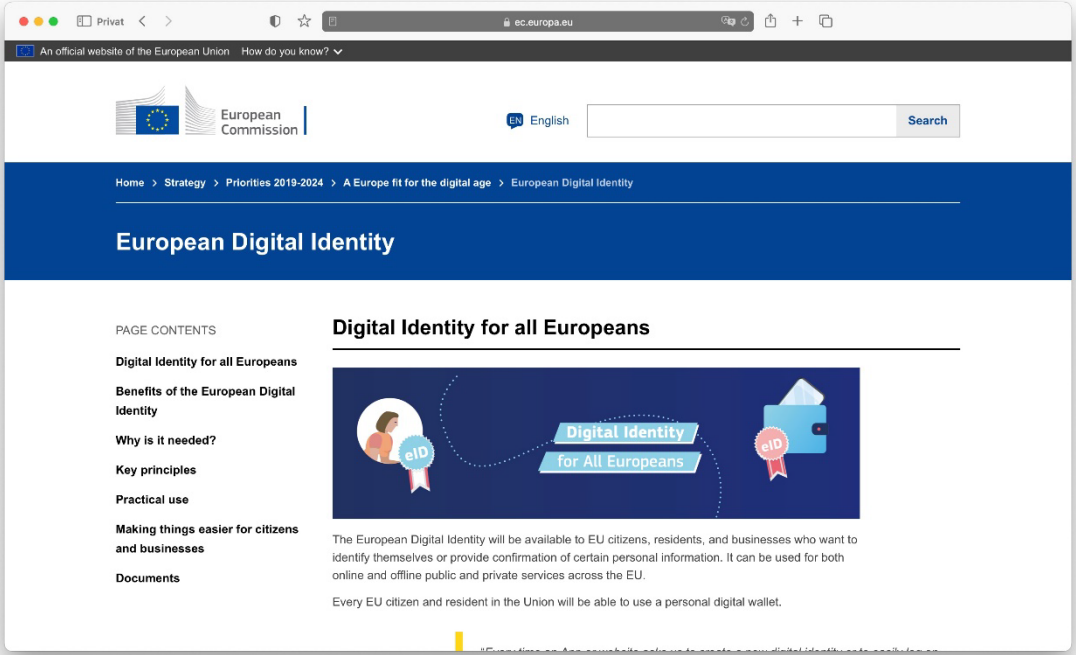
BigTechs dominate Digital Identities

Single Sign On

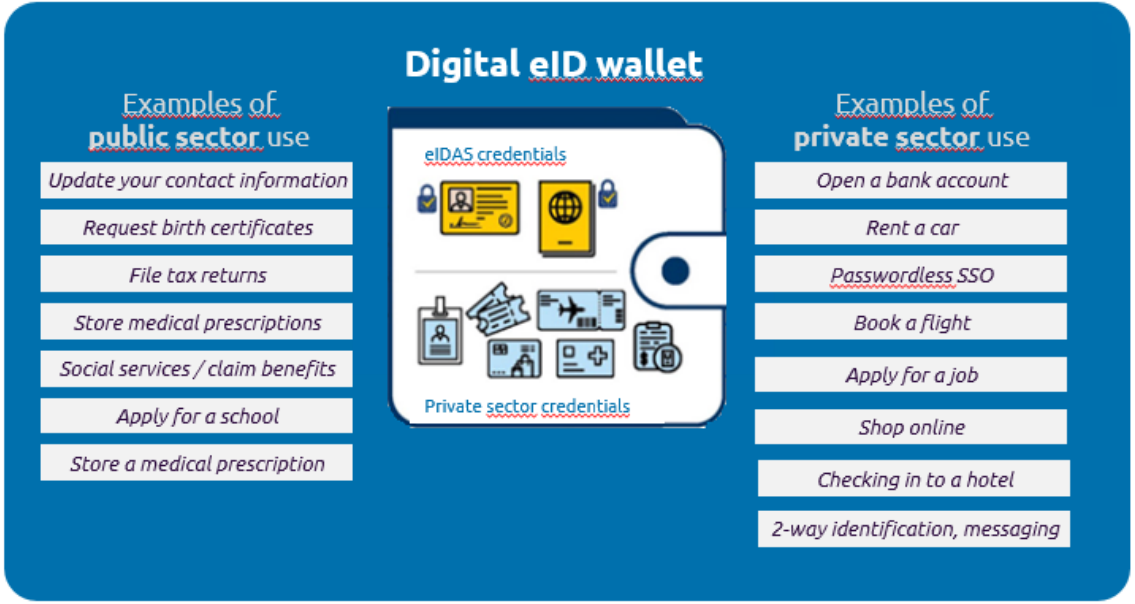
Developments in the market and the consequences

Development	Consequence	Advantages of the EUDIW
• BigTech and FinTech position themselves as intermediaries between customers and banks	• Contact with customers is lost • Costs arise	• Public intermediaries do not compete with banks • eID costs can be influenced by the state
• Efficiency potentials are not exploited	• High digitalisation pressure is built up	• EUDIW improves product processes • EUDIW improves service processes
• ID companies integrate payment and banking into ID ecosystems	• Core business of banks is affected	• Public intermediaries do not compete with banks

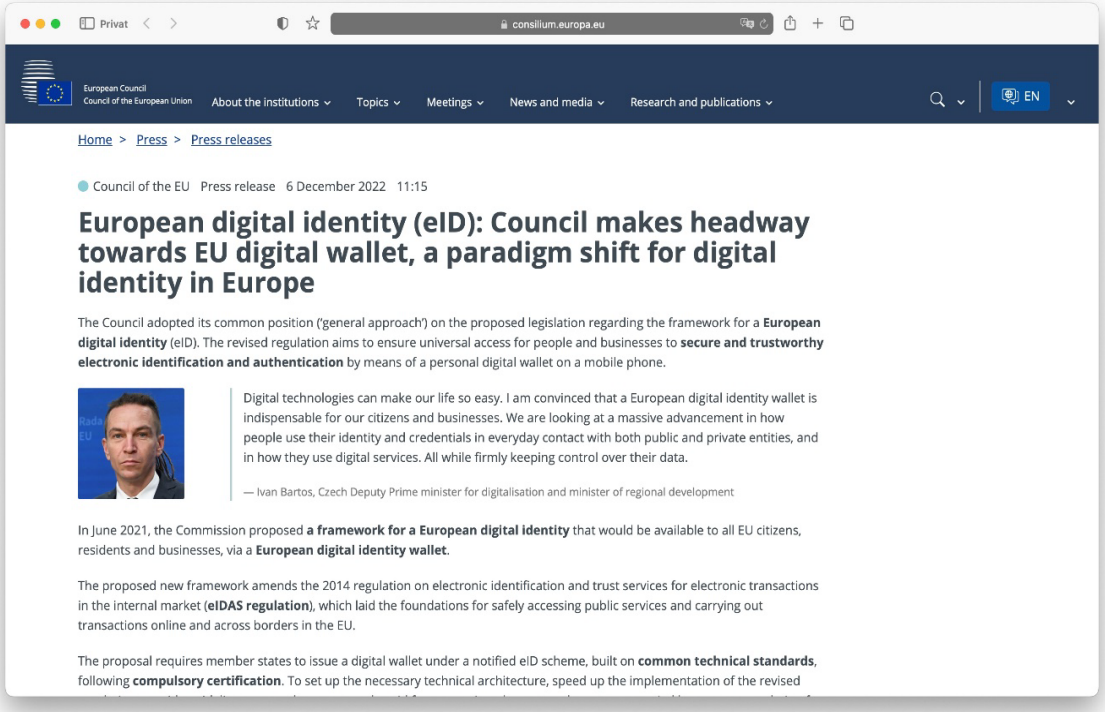
Digital Identities for all Europeans through the EU Digital Identity Wallet (EUDIW)



Use Cases


Digital eID wallet
Examples of public sector use
Update your contact information
Request birth certificates
File tax returns
Store medical prescriptions
Social services / claim benefits
Apply for a school
Store a medical prescription
eIDAS credentials
Private sector credentials
Examples of private sector use
Open a bank account
Rent a car
Passwordless SSO
Book a flight
Apply for a job
Shop online
Checking in to a hotel
2-way identification, messaging

Member States will have to implement the EU Digital Identity Wallet



Privat

consilium.europa.eu

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Council of the EU Press release 6 December 2022 11:15

European digital identity (eID): Council makes headway towards EU digital wallet, a paradigm shift for digital identity in Europe

The Council adopted its common position ('general approach') on the proposed legislation regarding the framework for a **European digital identity** (eID). The revised regulation aims to ensure universal access for people and businesses to **secure and trustworthy electronic identification and authentication** by means of a personal digital wallet on a mobile phone.

Digital technologies can make our life so easy. I am convinced that a European digital identity wallet is indispensable for our citizens and businesses. We are looking at a massive advancement in how people use their identity and credentials in everyday contact with both public and private entities, and in how they use digital services. All while firmly keeping control over their data.

— Ivan Bartos, Czech Deputy Prime minister for digitalisation and minister of regional development

In June 2021, the Commission proposed **a framework for a European digital identity** that would be available to all EU citizens, residents and businesses, via a **European digital identity wallet**.

The proposed new framework amends the 2014 regulation on electronic identification and trust services for electronic transactions in the internal market (**eIDAS regulation**), which laid the foundations for safely accessing public services and carrying out transactions online and across borders in the EU.

The proposal requires member states to issue a digital wallet under a notified eID scheme, built on **common technical standards**, following **compulsory certification**. To set up the necessary technical architecture, speed up the implementation of the revised

eIDAS2

eIDAS 2.0

The eIDAS Regulation is to be amended "with a view to establishing a framework for a European digital identity".

All member states are to issue free ID wallets that can be used throughout the EU (Art. 6a para. 1).

Important functions of the wallet

The wallet must enable the user to identify himself/herself to third parties (Art. 6a para. 3a).

The wallet must enable a qualified electronic signature (Art. 6a para. 3b)

SCA-obligated companies must accept Wallet as an option for Strong Customer Authentication (SCA) (Art. 12b /6d para. 2)

Large Scale Pilot

Accompaniment by Large Scale Pilot

The Large Scale Pilot is intended to create a reference architecture for the European Identity Wallet and to test its interoperability and scalability in a national and cross-border context, to test user experiences and to collect feedback on the Wallet's reference applications. This information will also be taken into account in the legislative process.

The Large Scale Pilots

POTENTIAL
Large consortium covering several use case. Priority use cases include Account Opening, Mobile Driving Licence and eHealth.

DC4EU
Priority: Education and professional credentials.

EWC
Priority: Travel.

NOBID
Priority: Payment.

NOBID

www.nobidconsortium.com

The NOBID (Nordic-Baltic eID) consortium includes participants from 6 Member States and focuses on the payment use case.

- Large expertise in eID and digital payments
- Strong National Commitment
- Leading partners from the public and private sector
- Advanced eID and Payment infrastructures in all six countries
- Six wallet issuing countries
- Fully alignment with the ARF

Participants

Consortium members

Roles covered

Authentic sources	Credential issuers	Relying parties	Qualified TSP	Wallet issuer	Technical partners

Norwegian Digitalisation Agency (Digdir), Danish Agency for Digital Government (DIGST), Italian Department for Digital Transformation (DDT), Latvian Radio and State Television (LVRTC), Ministry of Environmental Protection and Regional Development of the Republic of Latvia (VARAM), Icelandic Ministry of Finance and Economic Affairs (FJR), SEB Bank, BankID, DnB, German Savings Banks Association (DSGV), Italian Banking Association (ABILab), Intesa Sanpaolo, Nets (Nexi Group), PagoPA, Greiðsluveitan, Rewe Group, Elkjøp, iProov, Thales, Auðkenni, Istituto Poligrafico Zecca dello Stato (IPZS), Poste Italiane, Intesi Group, Infocert, Signicat, Fondazione Bruno Kessler (FBK)

Scope

Issuance and usage of the Wallet, onboarding of the eIDs, integration with national eID ecosystem

Identification and authentication
(e.g. Login to online banking)

Issue credentials for use in the EUDIW

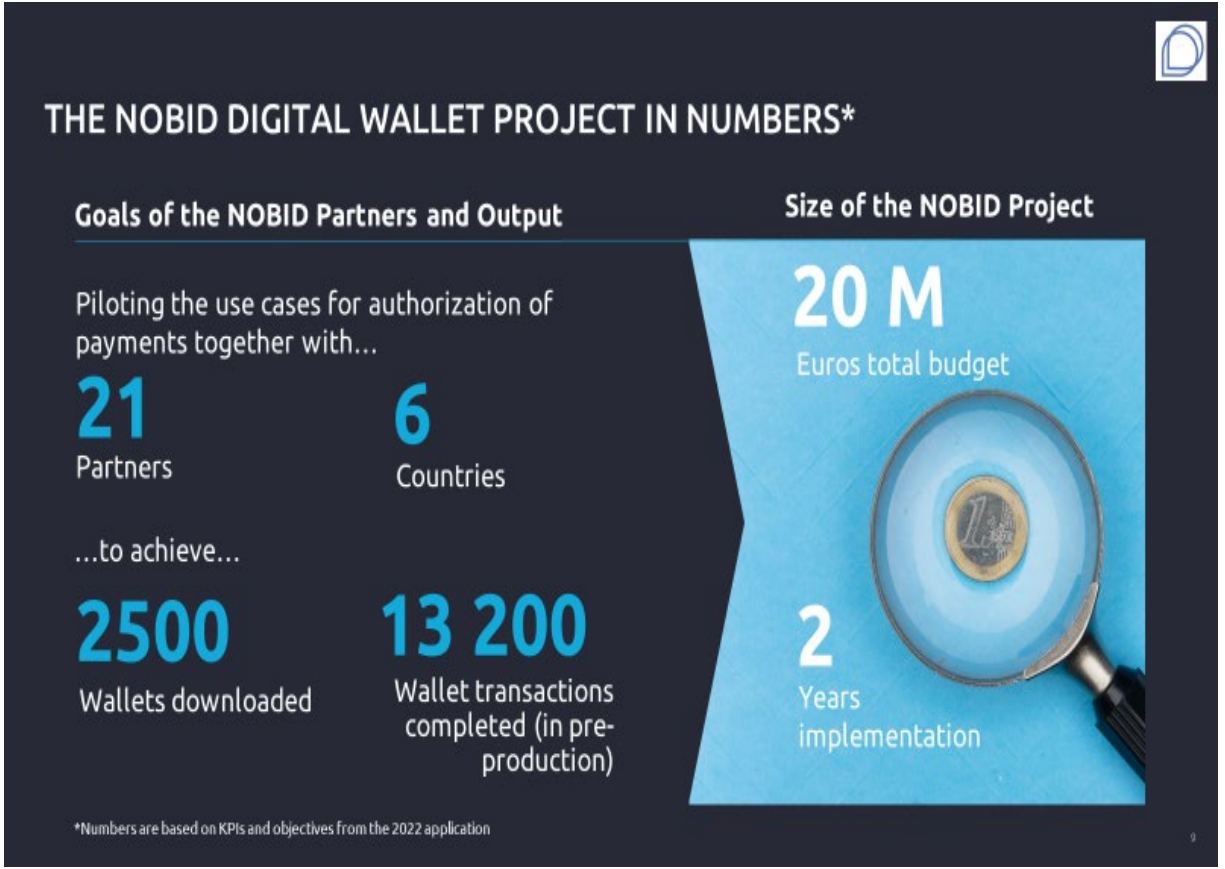
A2A payment using credentials from the EUDIW

On-boarding of users to financial services and QES

Collecting KYC information / AML check

Other value-added services

Goals


THE NOBID DIGITAL WALLET PROJECT IN NUMBERS*
Goals of the NOBID Partners and Output
Piloting the use cases for authorization of payments together with...
21
Partners
6
Countries
...to achieve...
2500
Wallets downloaded
13 200
Wallet transactions completed (in pre-production)
Size of the NOBID Project
20 M
Euros total budget
2
Years implementation
*Numbers are based on KPIs and objectives from the 2022 application

Work Packages

NOBID CONSORTIUM

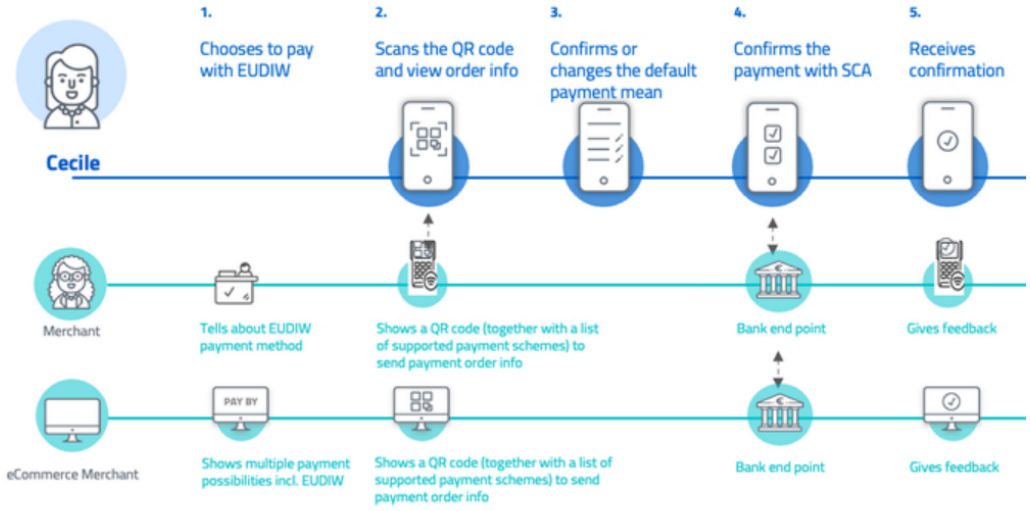
THE NOBID PROJECT IS DIVIDED INTO 9 WORK PACKAGES

WP 1 Project management and coordination Lead: DigDir	**WP 2** Stakeholder engagement: Promotion, outreach & communication Lead: DDT	**WP 3** Adding future partners and ensuring cross-border interoperability of the wallet Lead: DigDir & DSGV
WP 4 Implementation & testing of the Digital Wallet Lead: Thales & LVRTC	**WP 5** On-boarding to the wallet Lead: DIGST & LVRTC	**WP 6** Issuing additional attributes Lead: DigDir & Infocert
WP 7 Issuing payment instrument & testing payment use case Lead: DSGV & Intesa Sanpaolo	**WP 8** Qualified Electronic Signature (QES) and use case Lead: Intesi Group & Signicat	**WP 9** Cross-border identification matching Lead: DIGST & LVRTC

A Possible Flow

Option A

1. The payer decides to pay with the EU-Wallet
2. The payee generates a QR-Code with the payment request info together with a list of supported payment schemes by him and ask the payer to scan. The payer scans the QR Code and view order info on the EU-Wallet-App.
3. Optional: If not a preselected, compatible payment select appropriate scheme.
4. The payer confirms the payment biometric as SCA *(SCA is not required for Low Value Payments)*
5. The payee receive confirmation.



Thank You!

Tim Kremer
Rechtsanwalt/Referent

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