

# SAFBC | IDENTITY & KYC USE CASE









Gary de Beer Building #selfsovereignidentity for all.

Johannesburg Area, South Africa





## SOUTH AFRICAN FINANCIAL BLOCKCHAIN CONSORTIUM



## **Participants from 40+ institutions**

Banks, Financial Markets Infrastructure Players, Regulators, Legal, Academia and others





**BG** Bowman

Capitec

♦ Citadel

University of Cape Town



**S** FinSwitch



FSB FSB

Investec

**₩** IS

FIC FIC

Old Mutual

JS≣ JSE



S PASA

Sanlam Investments

♣ SARB

Norton Rose Fulbright

Silica

Standard Bank

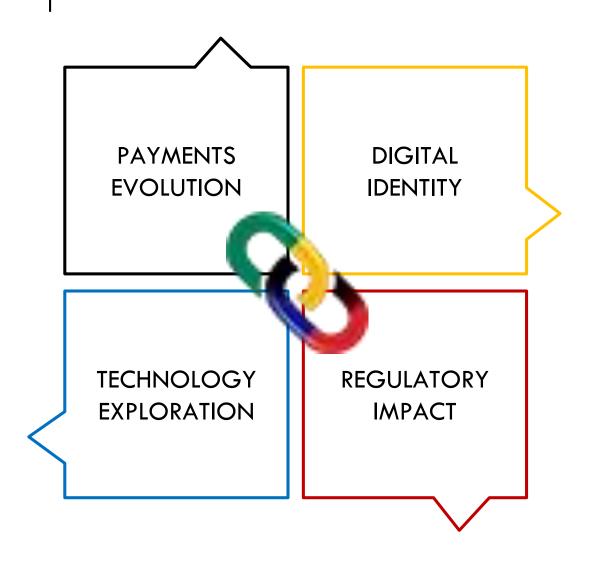
**Standard Chartered** 

**Strate** 

**X** ZarX

**CURO** Curo Fund Services

## SAFBC OBJECTIVES

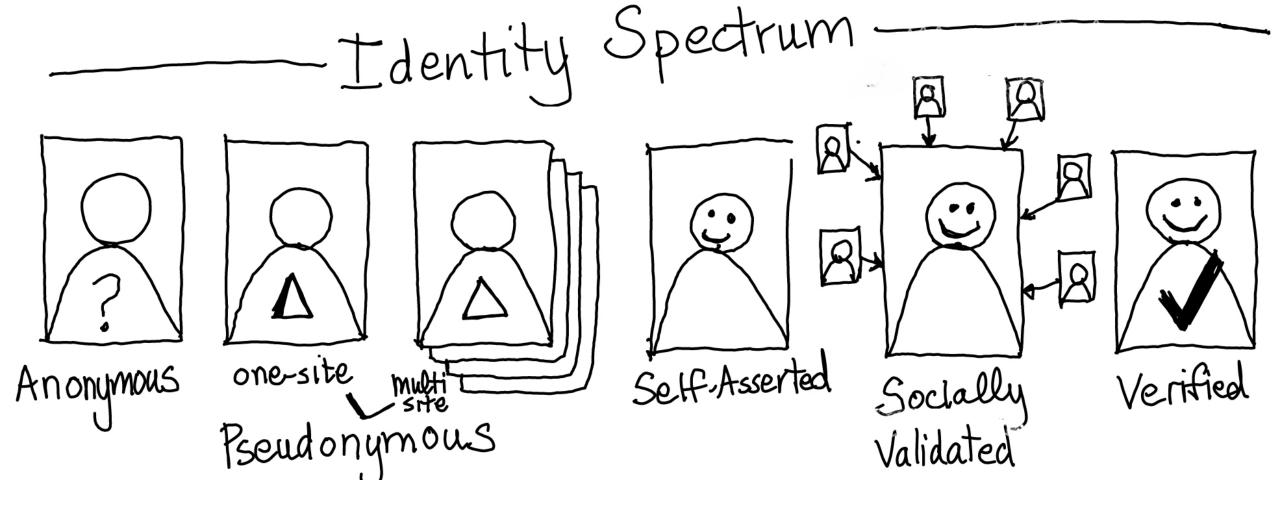


# Assimilate Educate Demonstrate

# SAFBC IDENTITY STREAM MANDATE

To explore the use of **Blockchain Technology**as applied to **Digital Identity**and understand the role that **Financial Institutions**should play in building

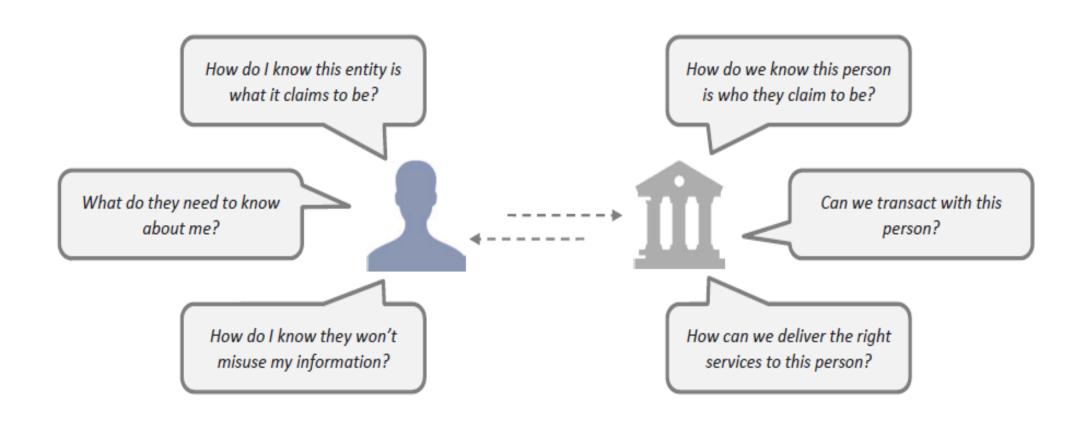
Secure, Efficient & Universal KYC for South Africa.



CAN WE BUILD A BETTER KYC?



# THE DILEMMA OF TRUST



# IDENTITY LANDSCAPE

GOALS PROBLEMS

Providing efficient, effective and seamless services to users	Service Delivery	Inefficient or unsuited service delivery
Provisioning what services users are entitled to access based on their attributes	Authorisation	Complex authorisation rules and relationships
Providing mechanisms for exchanging attributes between parties	Attribute Exchange	Insecure and privacy- compromising attribute exchange
Providing mechanisms for linking users to attributes	Authentication	Weak or inconvenient authentication
Capturing and storing user attributes	Attribute Collection	Inaccurate or insufficient attribute collection
Developing standards to govern system operation	Standards	Lack of coordination and consistency

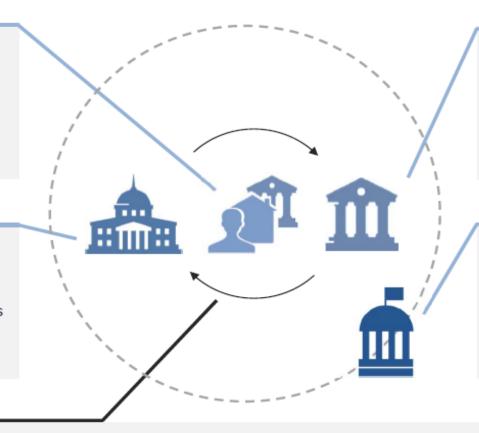
## **IDENTITY SYSTEM ACTORS**

#### Users

Users are entities for which the system provides identity, for the purpose of allowing them to engage in transactions

#### **Identity providers**

IdPs are entities that hold user attributes, attest to their veracity and complete identity transactions on behalf of users



#### Relying parties

RPs are entities that accept attestations from IdPs about user identity to allow users to access their services

#### Governance body

The governance body provides oversight for the system and owns the operating standards and requirements

#### Attribute exchange platform

The attribute exchange platform completes transactions by matching identity queries from RPs with attributes from IdPs and exchanging attributes or proof of identity



A POSSIBILITIES DEMONSTRATOR



## STANDARDS BASED DESIGN

## **Emerging Open Standards for SSI**



## **DEFINITIONS**

## **Verifiable Credentials**

A digital attestation of one Identity Owner about another Also called Attestations or Claims

## **Identity Owner**

A person or organization which has digital control over it's things

# POSSIBLE TECHNOLOGY STACKS

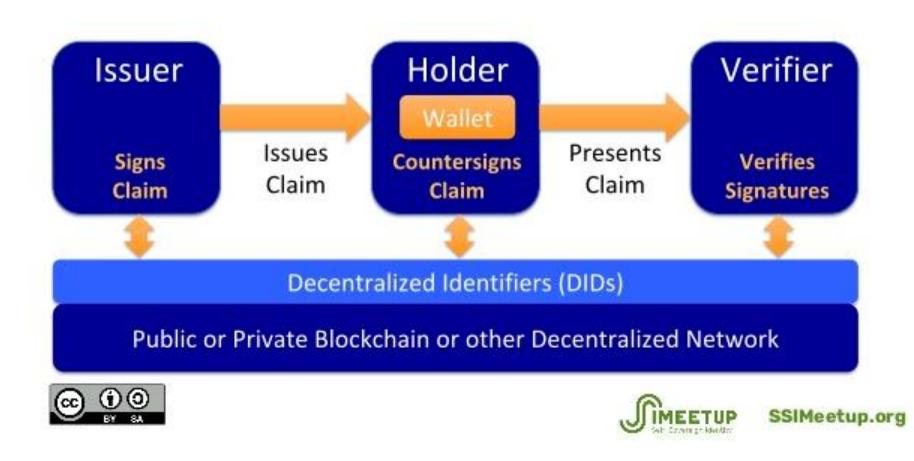






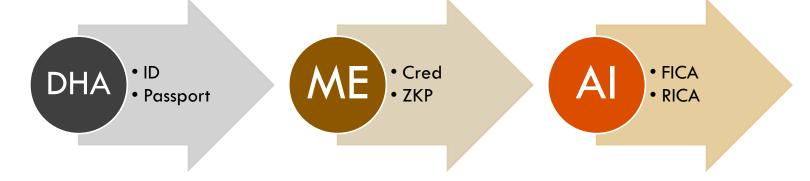
## LIFECYCLE OF DATA

## DIDs enable digitally signed verifiable claims



# ISSUING CREDENTIALS — 2 SCENARIOS

## Issued by Source

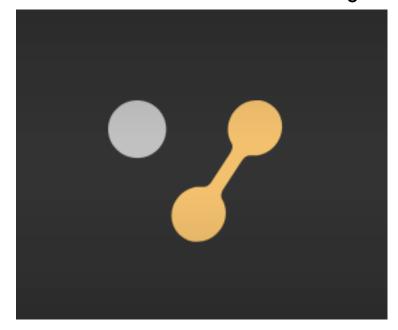


## Issued by Accountable Institutions



# DEMO — EVERNYM TOOLS (BETA)

VERITY-UI Verifiable Credentials Exchange



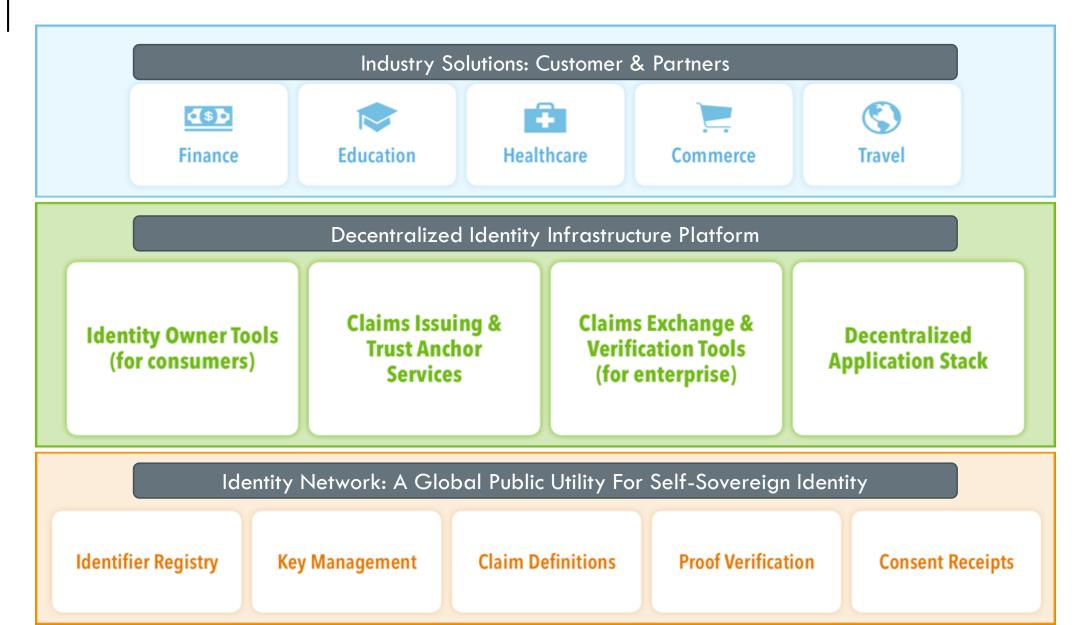




OUTCOMES



## IDENTITY ECOSYSTEM



## BENEFITS





### Improved products and services

FIs will be able to use detailed and trusted customer information to deliver tailored services to customers



Improved compliance
Digital attribute handling and
greater access to user identity will
allow FIs to complete compliance
processes more easily and accurately



## Operational efficiency

Digital attribute transfer and handling will allow FIs to streamline and automate many processes, eliminating human error



#### Revenue growth

FIs will have the opportunity to increase revenue from improved products and services as well as to offer identity-as-a-service



#### Decreased fraud

The secure, digital storage of user information will reduce fraud resulting from stolen information or compromised authentication



Better user experience and competitive positioning FIs can offer a streamlined user experience and position themselves as a critical part of the digital economy



# REGULATORY CONSIDERATIONS



## **REG QUESTIONS**



Are 3<sup>rd</sup> Party KYC services permissible?

If/When does Liability Shift?

Public and/or Private Sector Issuers?

Governance, Compliance and Oversight?

What are the current applicable regulations? (POPI, GDPR, ECT, FICA, RICA, NQF, Health)

What regulations need to altered/created?



QUESTIONS

