EGBA | European Gaming & Betting Association

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Rolling out electronic identification

Editorial

Electronic identification is the focus of our first EGBA news of 2018.

More and more consumers are seeing the benefits of using electronic identification when shopping online or accessing public services. But maintaining trust and security are two fundamental factors for ensuring consumers and businesses continue using electronic identification methods. This is ever more important in an age of online fraud and when more and more young people are active online.

We are honored to receive in this edition of EGBA news contributions from both the public and private sector on the importance of electronic identification and its opportunities.

Andrea Servida from the European Commission gives his take on the European Commission's main regulation in this area – the electronic IDentification, Authentication and trust Services (eIDAS) regulation – the advantages its brings to the private and public sector alike, and how it can ensure accurate age verification and help in the fight against fraud and money laundering, topics of particular importance for payments sectors, like the EU online gambling sector.

Our second article comes from **Marcel Wendt**, CTO and founder of Digidentity, a digital identity service provider which is recognised as an eIDAS Qualified Trust Service Provider. Digidentity works with both government and private sector entities, and explains how the service works in practice, and its benefits for both consumers and businesses.

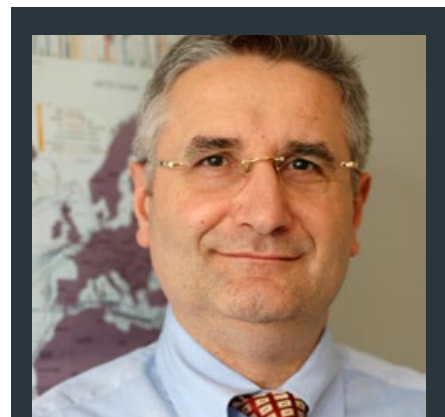**Maarten Haijer,**
Secretary General, EGBA

Rolling out eIDAS and the untapped potential of trusted eID

Andrea Servida, Head of Unit "eGovernment and Trust" in the European Commission, explains to the EGBA that building trust in the online environment is a key element to the transition to a digital society.

Without trust, citizens and businesses are reluctant to perform transactions electronically, concerned about being deceived by their counterparts. To build trust online, authentication and identification are crucial, because they contribute to ensuring the trustworthiness of digital transactions and accessibility to services, as well as enhancing the transparency of and accountability of business conducted online.

For identifying and authenticating online business transactions, people can use electronic identification (eID) methods. One of the most used eID methods is the combination of a username and a password, but there are many others, like National Citizen Cards which contain an electronic chip, eID through mobile devices, or systems relying on biometrics. Understandably, not all of these methods provide the same level of trust.

Trust in eID methods relies on the eID methods having high security standards both for the registration and

"A good example of a trusted eID format are government-issued and/or recognised eID methods which come with a high level of assurance under the eIDAS Regulation."

Andrea Servida, Head of Unit "eGovernment and Trust", DG Connect, European Commission

the authentication processes. A good example of a trusted eID format are government-issued and/or recognised eID methods which come with a high level of assurance under the EU's electronic IDentification, Authentication and trust Services (eIDAS) Regulation. The trust placed in these eIDAS-compliant methods relies on strict criteria for identity verification, including

> eIDAS plays a role in the fight against money laundering, as acknowledged in the 5th Anti Money Laundering Directive.

Rolling out eIDAS and the untapped potential of trusted eID *(Cont from the page 1)*

checks against authoritative sources (e.g. queries to the national population registries) which are performed when the user applied to obtain an eID, and in the use of more than one identity verification measure in the authentication process.

eID and the private sector

The eIDAS Regulation offers significant advantages for the private sector. For starters, the private sector can participate in the provision of the national eIDs schemes notified under eIDAS, as has already been demonstrated by the pre-notification of Italy's eID scheme SPID, which is private sector-led[1].

But more importantly for the business and commercial sector, eIDAS enables the identification and authentication of digital users across borders. Electronic identification means that are managed by a trusted source, such as government-issued and/or recognised eID means notified under the eIDAS regulation, are not only a way of identifying the user but are also an effective tool for implementing age verification.

In effect, eID methods that are managed by a trusted source can, in most cases, assert with a very high degree of confidence whether the user is an adult. This level of accuracy relies on the fact that strict procedures of identity verification, including checks against authoritative sources, are performed during the registration phase prior to the eID being issued to the user.

eID in the fight against money laundering

eIDAS also plays a role in the important fight against money laundering. This has been acknowledged in the EU's 5th Anti Money Laundering Directive, which recognises eIDAS-compliant eIDs as a capable tool for providing a legal proof of identity of the eID holder, equivalent to in-person verification. This means that eIDAS-supported eID methods could be used as a possible way to fulfil "Know-Your-Customer" and other customer due diligence requirements for non-face-to-face interactions, such as online gambling.

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To further explore how to facilitate the use of eID across borders and "Know-Your-Customer" portability, through the identification and authentication tools under eIDAS, a new European Commission expert group has been established[2], which will convene in 2018.

Also, payment transactions are increasingly being made online, eIDAS is a regulation which can help to authenticate the identity of customers and ensure secure communication between payment providers. On 27 November 2017, the Commission adopted the Delegated Regulation on Regulatory Technical Standards[3] (RTS) to support strong customer authentication and

common, secure communication under the Payment Services Directive. Reference is made to both eIDAS-notified eID methods and trust services with eIDAS-notified eIDs referenced as a possible solution to ensure strong customer authentication.

Last but not least, the Commission is working on promoting the acceptance of trusted eID means by online platforms[4]. In that sense, the Commission elaborated, at the end of 2017, draft Principles[5] and Guidance on eID interoperability to encourage online platforms to recognise other eID means — in particular those notified under the eIDAS Regulation — that offer the same reassurance as their own.

These initiatives show that the rolling out of eIDAS is a huge opportunity for citizens, businesses across many sectors and public administrations to benefit from the untapped potential of trusted eID to enhance trust, convenience, privacy and accountability in the digital world. And in the process ensure that eID measures help protection consumers, prevent bogus payment transactions and tackle money laundering. ◼

"rolling out of eIDAS is a huge opportunity for citizens, businesses across many sectors and public administrations to benefit from the untapped potential of trusted eID to enhance trust, convenience, privacy and accountability in the digital world."

[1] https://ec.europa.eu/digital-single-market/en/news/first-private-sector-eid-scheme-pre-notified-italy-under-eidas

[2] http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=36277&no=1 and https://ec.europa.eu/futurium/en/blog/expert-group-electronic-identification-and-remote-know-your-customer-processes-call

[3] https://ec.europa.eu/transparency/regdoc/rep/3/2017/EN/C-2017-7782-F1-EN-MAIN-PART-1.PDF

[4] https://ec.europa.eu/digital-single-market/en/news/communication-online-platforms-and-digital-single-market-opportunities-and-challenges-europe

[5] https://ec.europa.eu/futurium/en/system/files/ged/draft_principles_and_guidance_on_eid_interoperability_for_online_platforms_for_consultation.pdf

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Online betting and gaming:
the only risks are intentional…

Nearly everybody leaves a digital paper trail of their personal data and identity on the internet - even when making simple purchases at web shops, playing on a gambling websites or being active on social media.

These activities are not always secure and fraudsters are always looking for new ways to get a hold of your personal data. That is why I founded service provider Digidentity[1] almost ten years ago to better protect the digital identity of internet users and make online life more secure.
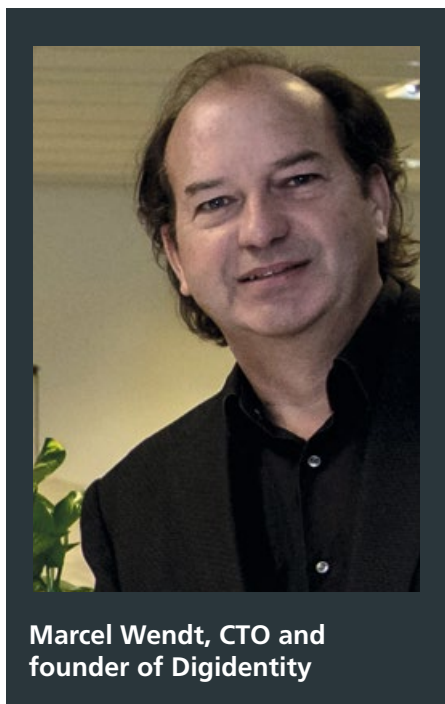
My goal when I set out was to give the right to digital self-determination back to internet users. That may sound a bit complex but what it came down to in practice was the creation of a kind of digital safe that would securely store your personal data when you browse the web. Anyone who wants to use his or her digital identity, for instance to take out an insurance or apply for a building permit, can open that safe – but others cannot. The patented system is designed in such a way that even Digidentity staff can't steal digital identities.

Safe and secure

When it comes to identify verification online, there must be security and reliability on both sides.

- First, the reliant party, for instance an insurer, the tax authorities or a web shop, needs to be certain that you are actually who you say you are.

- Second the user, want a 100-percent guarantee that your personal data is in safe hands. It's our job to guard that process.

That is why ballots take place on both sides. The reliant party goes through a process to prove it can sufficiently protect this person's personal data. And the users, costumers or businesses that want to purchase a service or log on to a website, must at one point present evidence to verify their identity, for instance with a passport.

Marcel Wendt, CTO and founder of Digidentity

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> Digidentity was founded almost ten years ago to better protect the digital identity and making online life more secure.

Digidentity provides the reliant party with that assurance and allows the user to log on with a single Digidentity mobile token.

What are the benefits of protecting your digital identity online?

They include:

- The use of a Digital identification renders cybercrime and identity fraud more complex. Users are optimally protected with regard to privacy and security.

- Secure login: Stricter requirements concerning security, reliability and the protection of personal data.

- Certainty for businesses about the online identity of internet users: increased authenticity and better authorisation mean service providers or websites can always be certain that they are doing business with the right persons.

How does Digidentity work?

If the user doesn't have a Digidentity they need to register for it. Registration

Digidentity accredited as eIDAS Qualified Trust Service Provider

Digidentity recently has earned accreditation in the Netherlands as a Qualified Trust Service Provider under eIDAS (electronic identification, authentication and trust services – see the interview with Andrea Servida), the updated EU regulation standard for trusted electronic identification and transactions.

Earning the highest and most qualified level of accreditation

allows Digidentity to be named on the Europe-wide Trust Service List (TSL) as a provider of qualified and trusted services that meet strict regulatory standards regarding the validation of electronic signatures, covering both individuals and enterprises. Offering varying levels of qualification, this list acts as an EU-wide trust mechanism that increasingly supports automated verification of a service provider's status.

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> **The use of a Digital identification renders cybercrime and identity fraud more complex. Users are optimally protected with regard to privacy and security.**

Online betting and gaming: the only risks are intentional… (Cont from the page 3)

begins with the verification of the user. During verification, we check who a person is. This can be established on the basis of information submitted by the user and proven by providing identification documents.

For the verification of the identification document Digidentity compares a selfie picture with the photo on the user's passport, checks if the passport is genuine and valid and, also, in order to prevent fraud we also check if the identification document is reported stolen or lost.

Subsequently, Digidentity can do a sanction check (we verify if the user is on any sanction list worldwide) or a PEP check (we check if the user isn't

"With a Digidentity account, the user can log onto – for example – a gambling website. Logging in is as simple as scanning a QR code with one's phone and confirming the authentication with one's fingerprint or pin code. After logging in, relevant data and the user id are sent back to the company or gambling website, enabling age verification and a sanction check.

a Politically Exposed Person, someone who has been entrusted with a prominent public function). Digidentity can also match a name and address against banking details or (in the UK) verify the home address of the user.

With a Digidentity account, the user can log onto – for example – a gambling website. And he or she doesn't need a username or password. Logging in is as simple as scanning a QR code with one's phone and confirming the authentication with one's fingerprint or pin code. After logging in, relevant data and the user id are sent back to the company or gambling website, enabling a quick and convenient age verification and a sanction check. ∎

[1] https://www.digidentity.eu/en/home/#about

About Digidentity

Digidentity develops services focused on a unique digital identity, where the user and his or her privacy are key. Digidentity is also a supplier of digital certificates for web security and qualified digital signatures. Digidentity provides national digital identity solutions to the Dutch and British governments, as well as solutions for a wide variety of organizations.

Our technology provides identities to more than 15 million Europeans and executes more than 250 million secure online transactions per year between people, organizations, and governments.

Game changer in digital entertainment