



The importance of identity proofing for banking sector and the challenges ahead

**REMOTE IDENTITY
PROOFING**

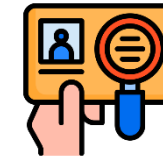
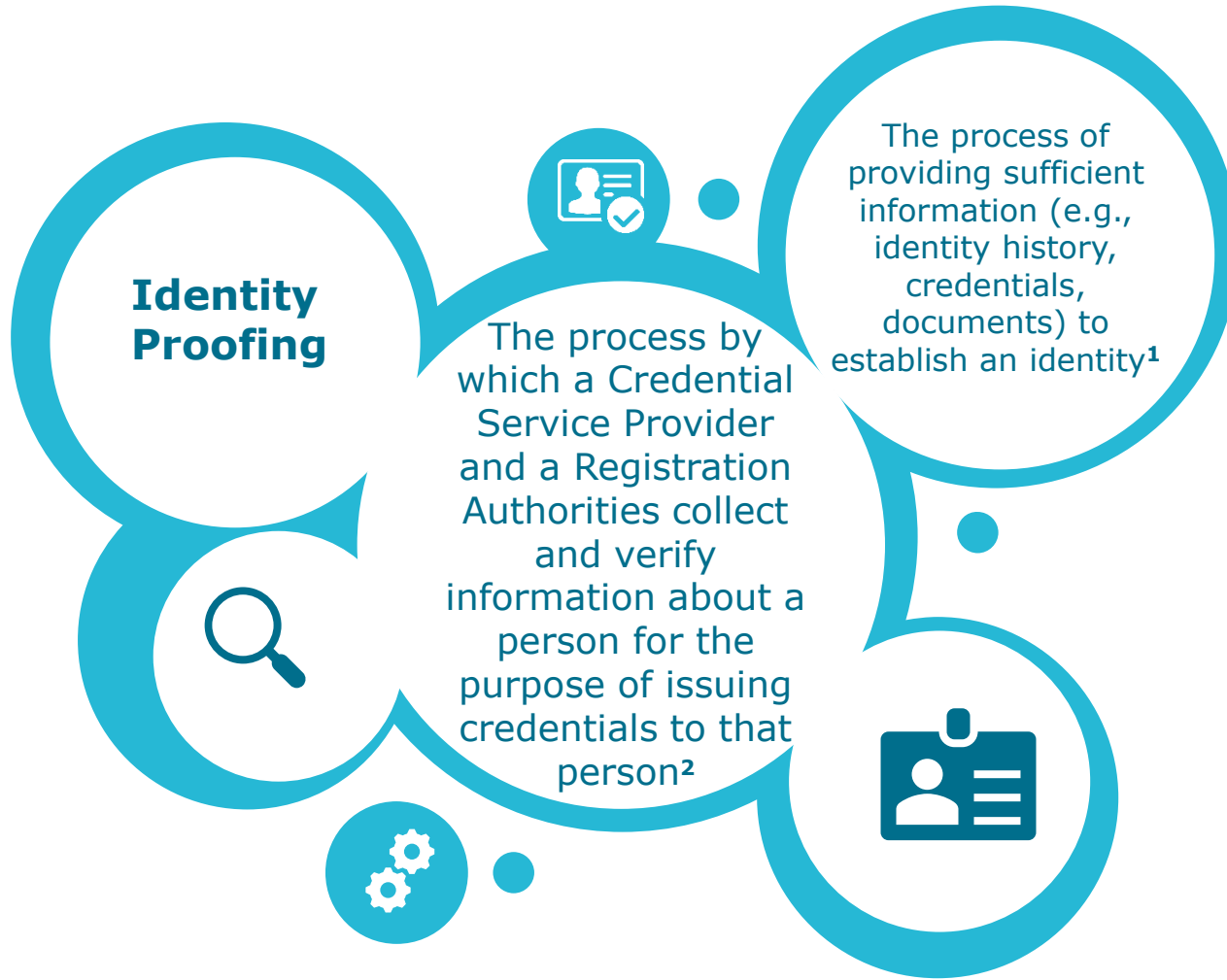
Munich, May 3, 2022

Giorgio Cusmà Lorenzo

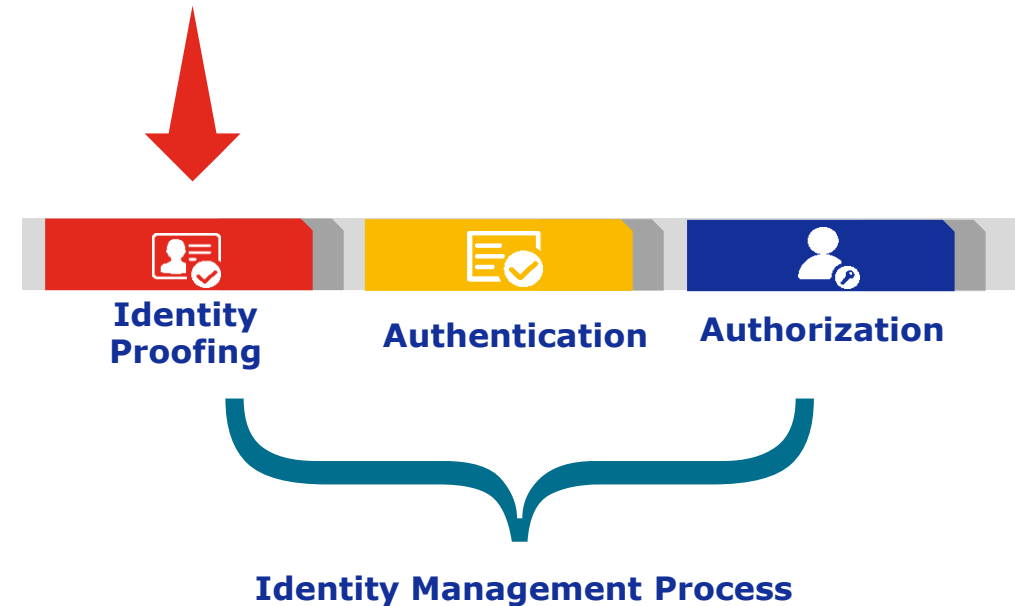
Chairman of Cybersecurity Expert Group
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Continuity Strategy and Group Governance*



Identity proofing definition



Identity proofing establishes that a subject is actually who he claims to be

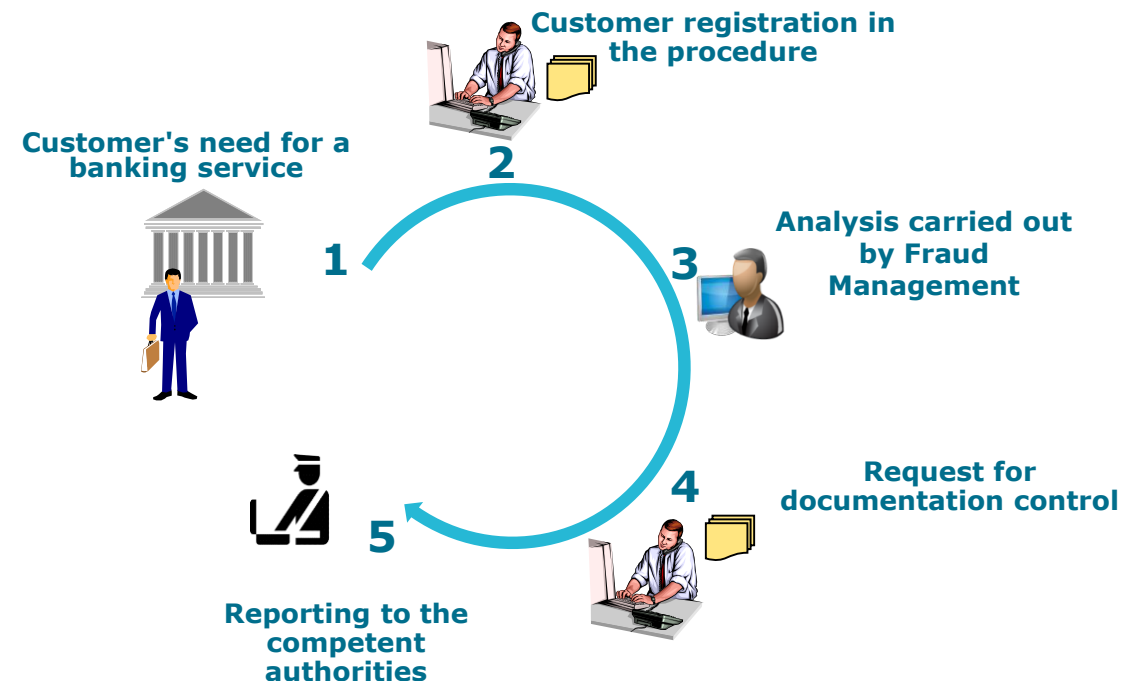


¹ Source: "Personal Identity Verification (PIV) of Federal Employees and Contractors", NIST

² Source: "DRAFT NIST Special Publication 800-63-3 Digital Identity Guidelines", NIST

Identity proofing processes (1/2)

The identity proofing process can be **physical** or **online** and is designed to answer the question "**who are you?**" This is the first step of **KYC** (Know Your Customer) **process**. It involves the collection and **verification** of **one or more identifying attributes** (e.g. name, address, date of birth, e-mail address, social security number, employer, membership number, citizenship status, etc.) on the person to be identified (called "subject"). It can be done **in person by inspecting government-issued identity documents** (for example, "show me your driver's license"), or **it can be done remotely** using a variety of online techniques



Identity proofing processes (2/2)

Multiple checks and controls are carried out in order to verify the identity of a person. These checks are divided into **first-level controls**, carried out at the time of the request for the opening of the contract (by branches or online), and **second-level controls, carried out by specialized structures** once the request for opening the contract is submitted. The goal is **to avoid frauds and illegal actions**

1 I level controls



2 II level controls



Carried out at the time of the opening request



Carried out by specialized structures after the request



Example of 1st level controls:

- check the condition of the documents by verifying that there are no abrasions, alterations or cancellations
- validity date of the document
- Controls on the document photo (only high resolution photos)



Example of 2nd level controls:

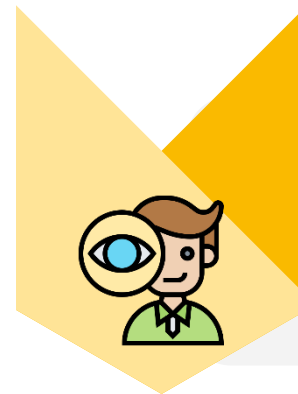
- Controls on the document number
- Anti Money Laundering Controls

Future developments

Development of digital **identity documents with microchips** (e.g. electronic identity cards issued by the Italian government) and the **development of digitalization** and a grater number of **digital services** allow the **evolution of identity proofing techniques** and the **introduction of new security measures** that can be implemented **using also artificial intelligence algorithms**. A fundamental step will also be the development of digital identity on a European basis thanks to the new eIDAS regulation with the use of the European Digital Identity Wallet (EDIW)



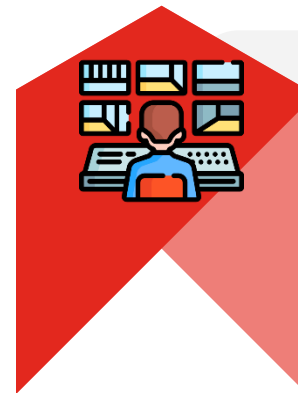
Identification using
European Digital Identity
Wallet
(Review eIDAS Regulation)



Liveness detection using
video and selfie



Identity proofing with
electronic ID Card using
NFC



Controls using video
and selfie with the
support of the AI