

 26.09.24

 Digital Identity Observatory

Investments of the private sector in the EUDIW

16th CA Day, Heraklion





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MISSION

Develop and share **knowledge** on the potential of digital identity and authentication systems and contribute to the development of the **market** in Italy, generating opportunities for **networking** among the main players active on the topic

RESEARCH

Develop **robust empirical evidence** to help actors understand the opportunities offered by digital identity systems



NETWORKING

Create a qualified and independent table where **pre-competitive discussions** between Italian and international players can be fostered



COMMUNICATION

Create **culture** and contribute to the **dissemination of knowledge** on digital identity issues through high-impact media opportunities



CONTINUOUS UPDATING

Become a **point of reference** for stakeholders who want to stay constantly updated on digital identity issues



Even with the entry into force of eIDAS 2 and the work being done on the implementing acts, there are several issues about **private sector adoption of EUDI wallets** that remain **open**

What **roles** can different private actors play?

Which **use cases** will be enabled by EUDI wallet?

Who will be a **wallet provider** in the different European countries?

Which companies will be **required to adopt** EUDI wallets?

How can private companies **take advantage** of this opportunity?

What will be the **business model** of EUDI wallets?

Article 5f

Cross-border reliance on European Digital Identity Wallets

1. Where Member States require electronic identification and authentication to access an online service provided by a public sector body, they shall also accept European Digital Identity Wallets that are provided in accordance with this Regulation.
2. Where private relying parties that provide services, with the exception of microenterprises and small enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC⁽¹⁾, are required by Union or national law to use strong user authentication for online identification or where strong user authentication for online identification is required by contractual obligation, including in the areas of transport, energy, banking, financial services, social security, health, drinking water, postal services, digital infrastructure, education or telecommunications, those private relying parties shall, no later than 36 months from the date of entry into force of the implementing acts referred to in Article 5a(23) and Article 5c(6) and only upon the voluntary request of the user, also accept European Digital Identity Wallets that are provided in accordance with this Regulation.
3. Where providers of very large online platforms as referred to in Article 33 of Regulation (EU) 2022/2065 of the European Parliament and of the Council⁽²⁾ require user authentication for access to online services, they shall also accept and facilitate the use of European Digital Identity Wallets that are provided in accordance with this Regulation for user authentication only upon the voluntary request of the user and in respect of the minimum data necessary for the specific online service for which authentication is requested.

As stated by eIDAS 2, several actors will have to accept the wallet as an authentication method:

- **public administrations**
- private actors with a requirement for **strong user authentication** (transportation, utilities, banking and financial services, healthcare, postal services, education and telecommunications)
- **very large online platforms** (as identified by the DSA*, including Amazon, Apple, Facebook, Google, Instagram, TikTok and Twitter and others)

*DIGITAL SERVICES ACT, FOR MORE INFORMATION, CONSULT THE [LINK](#)

EXCERPT FROM eIDAS 2, FULL TEXT AVAILABE AT THE FOLLOWING [LINK](#)



**PARTICIPATING
MEMBER
STATES/
COUNTRIES**

20
COUNTRIES

6
COUNTRIES

19
COUNTRIES

25
COUNTRIES

**PARTICIPATING
PRIVATE
COMPANIES**

80+
PRIVATE
COMPANIES

15
PRIVATE
COMPANIES

40+
PRIVATE
COMPANIES

49
PRIVATE
COMPANIES

USE CASES



**LATEST
NEWS**

**Started user
testing**
Summer 2024

Ongoing
developments across
different work
packages

**Started user
testing**
Summer 2024

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The Observatory research stream on private companies: methodology



SECONDARY SOURCES

Analysis of secondary sources to identify key variables and trends of interest



DISCUSSION WITH OUR COMMUNITY

Key points emerged from the discussion during the Observatory's closed-door workshops



RESULTS OF PREVIOUS RESEARCH

Research activities carried out in previous years (surveys, development of maturity models)



INTERVIEWS WITH RELYING PARTIES

Interviews with Italian relying parties from different fields to understand the state of adoption of digital identity solutions

INTERVIEW PROTOCOL

Definition of an interview protocol, informed by secondary sources and by the previous maturity model

CODING

Transcript coding for the precise analysis of all contributions received

DEFINITION OF A MODEL THAT IDENTIFIES DIFFERENT CLUSTERS

Definition of a model informed by the collected data set

To understand the different positions of companies regarding **digital identity adoption** and their **expected approach towards the EUDI wallet**, we have taken into consideration two aspects:



INTERNAL CONFIGURATION

The current level of awareness about digital identity of a company



EXTERNAL LIMITATIONS

The present level of external regulatory requirements a company is subject to

To understand the different positions of companies regarding **digital identity adoption** and their **expected approach towards the EUDI wallet**, we have taken into consideration two aspects:

INTERNAL CONFIGURATION

DATA COLLECTION AND USAGE

(30% of the index)

USER EXPERIENCE

(20% of the index)

DEDICATED BUSINESS FUNCTION

(20% of the index)

CENTRALITY OF DIGITAL IDENTITY IN THE COMPANY STRATEGY

(30% of the index)

DIGITAL IDENTITY AWARENESS INDEX

(value between 0 and 100)

EXTERNAL LIMITATIONS

LOW REGULATORY PRESSURE

No requirement for customer recognition, but obligations related to handling personal data

MEDIUM REGULATORY PRESSURE

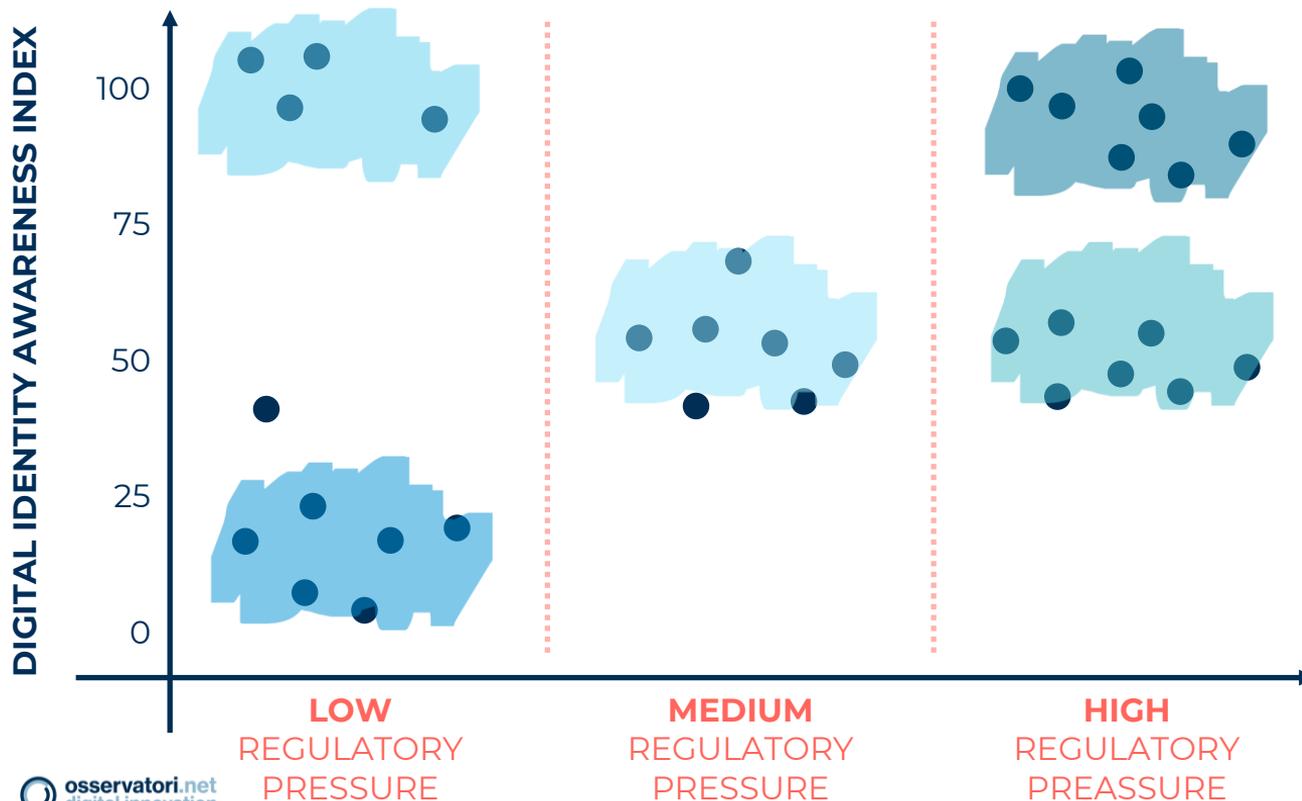
Customer recognition requirements during onboarding and/or obligations related to handling personal and sensitive data

HIGH REGULATORY PRESSURE

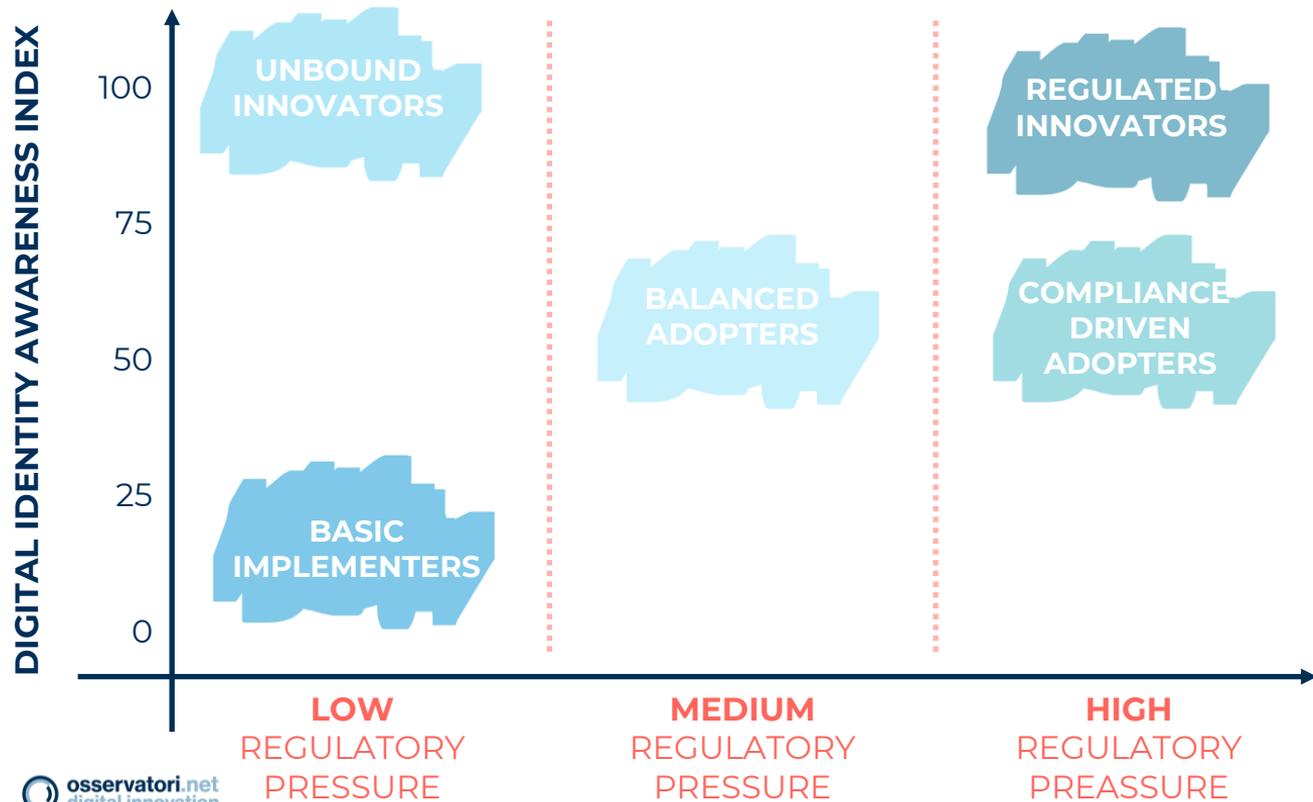
Requirement for customer recognition at different stages of the identity management process and obligations related to handling personal and sensitive data

For each level of **regulatory pressure**, you can find **different placements** on the **Digital Identity Awareness Index**, that can describe **some typical profiles**

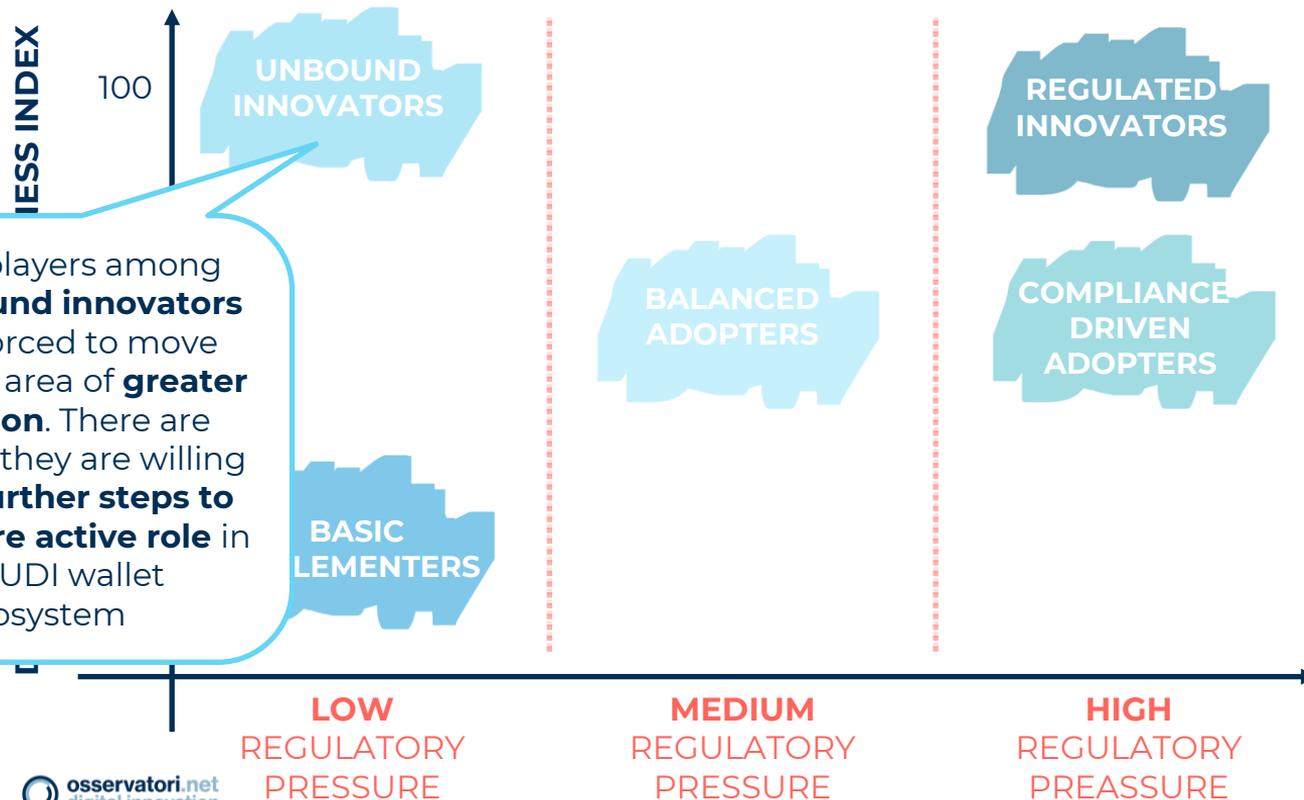
EACH ● REPRESENTS A COMPANY



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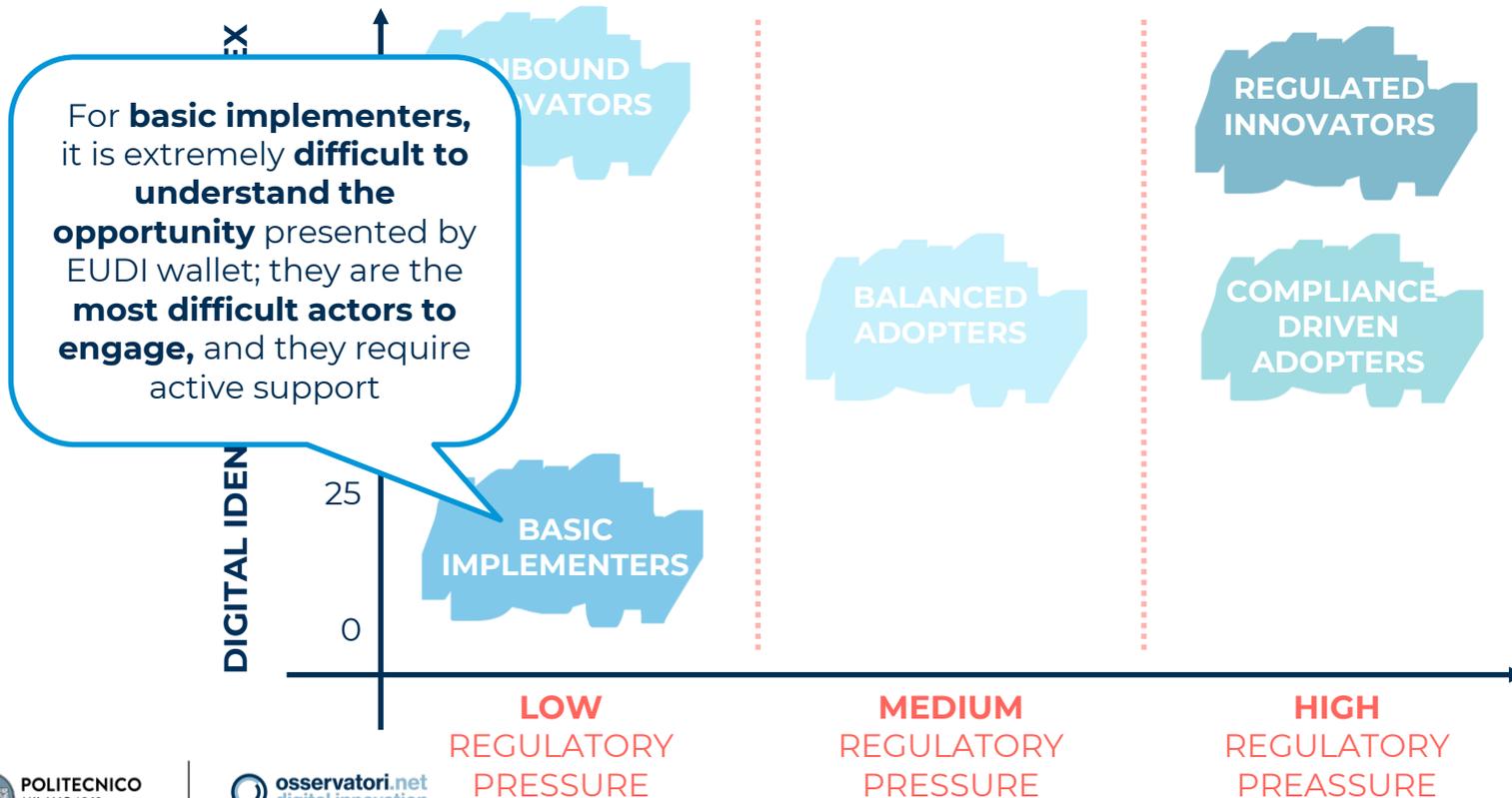


Depending on the cluster they belong to, companies might have **profoundly different approaches** toward the EUDI wallet

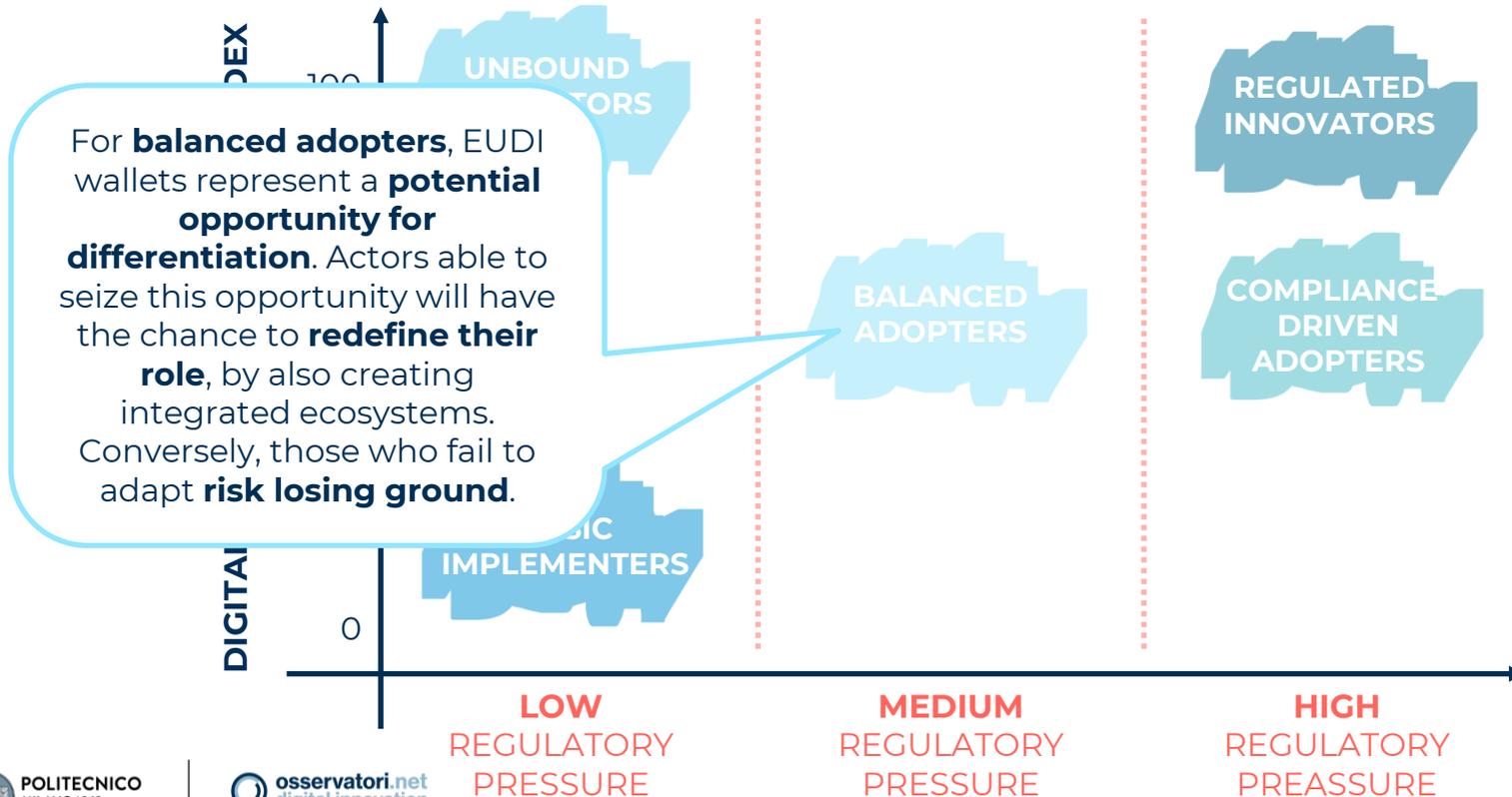


Several players among the **unbound innovators** will be forced to move toward an area of **greater regulation**. There are signs that they are willing to **take further steps to play a more active role** in the EUDI wallet ecosystem

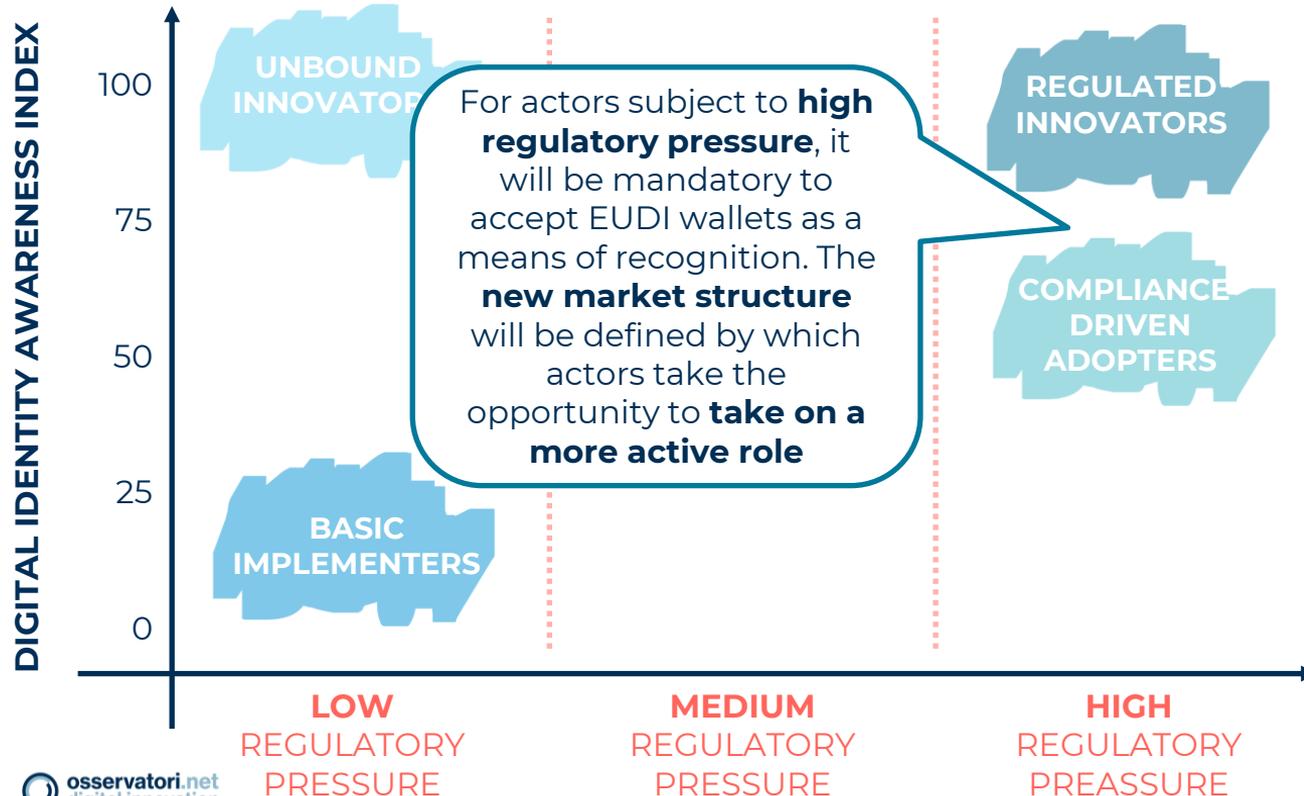
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How can institutions encourage the involvement of private companies? Some ideas



Building a clear **regulatory framework** for the adoption of the wallet as a recognition tool



Providing **incentives** for early adoption and for private companies not subject to regulatory obligations



Introducing **'intermediary' or 'aggregator' roles** in the ecosystem to **facilitate the technical integration** of wallet



Drawing a **promotion and dissemination plan** to communicate the opportunity and potential of the wallet



Clearly defining a **sustainable business model** for the key roles of wallet provider and credential issuer

If you want to learn more about the research activities of the Digital Identity Observatory or if you have comments on the research

GET IN TOUCH:
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You can download the full version of one of our **2023 research report** on digital identity wallets here:



The 2024 research results will be published by the end of this year

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