

TOWARDS A EUROPEAN DIGITAL IDENTITY WALLET

“Towards a European Digital Identity Wallet. Striking the right balance between regulation and market needs”

21 June, 18:00-19:45 CET | European Parliament



DIGITAL IDENTITIES IN EUROPE A FRAMEWORK FOR A EUROPEAN DIGITAL IDENTITY

“ Digital identity ”

Generally referred to all **personal** (or personally related) **information** that is **digitally stored and accessible** by the individual owning the information and, in some cases, by **third parties** as well.

- **Data and private information** have become one of the **key drivers** of the **digital society**.
- Most **personal information** is:
 - ✓ **digitally stored**
 - ✓ **accessible**
 - ✓ **usable**
- At the **European level**, the **attention** on these developments has been **increasing** for more than **20 years**.

THE PATH TOWARDS A COMMON FRAMEWORK

1999: 93/1999/EC Directive (e-signature)



2014: eIDAS Regulation (mutual recognition and acceptance of national eIDAS)



2021: EU Commission Recommendation on a common Toolbox towards a EU Digital Identity Framework + proposal for amending 2014 Regulation to a framework for a European Digital Identity



2022: *“European Digital Identity Architecture and Reference Framework”* published by eIDAS expert group



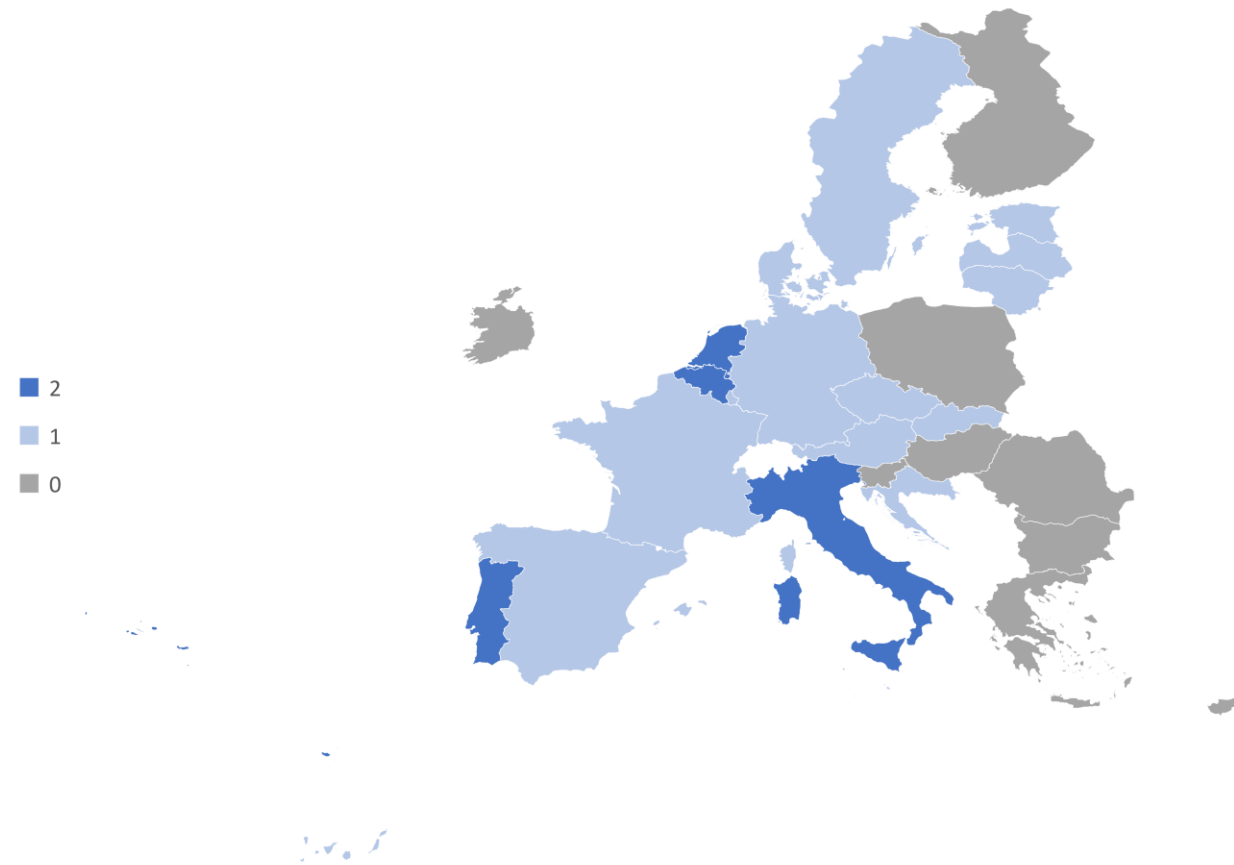
2023/2024(?): European Digital Identity and Digital Wallet

- ✓ introduces a **European Digital Identity Framework** to offer users self-determined **personal digital wallets** that would **allow** for a **secure** and **easy** access **to** public and private **services**
- ✓ creates a **new qualified trust service** for attestation of **attributes**
- ✓ prescribes **each Member State** to issue a European **Digital Identity Wallet** within **12 months** after the entry into force of the regulation
- ✓ prescribes **Member States** to **implement** a **common mechanism** for the **authentication** of relying **parties**
- ✓ provides for the preparation and **publication** by the **Commission** of a **list of certified** European **Digital Identity Wallets**

AN OVERVIEW OF THE eID SCHEMES IN EU MEMBER STATES

- In **1999** (directive 93/1999/EC), the **EU** did **not** provide for a **single set of rules** for '*electronic identification*' (eID) instruments.
- **several national eID systems** were created.
- 18 MS have notified at least 1 eID scheme + 4 MS multiple schemes for a **total of 22**
- Most are **guaranteed** by national **authorities**, while **distribution and provision** is often **left** to authorised **market players**

Member States that have notified eID schemes under eIDAS (May 2022)



No certified
interoperability

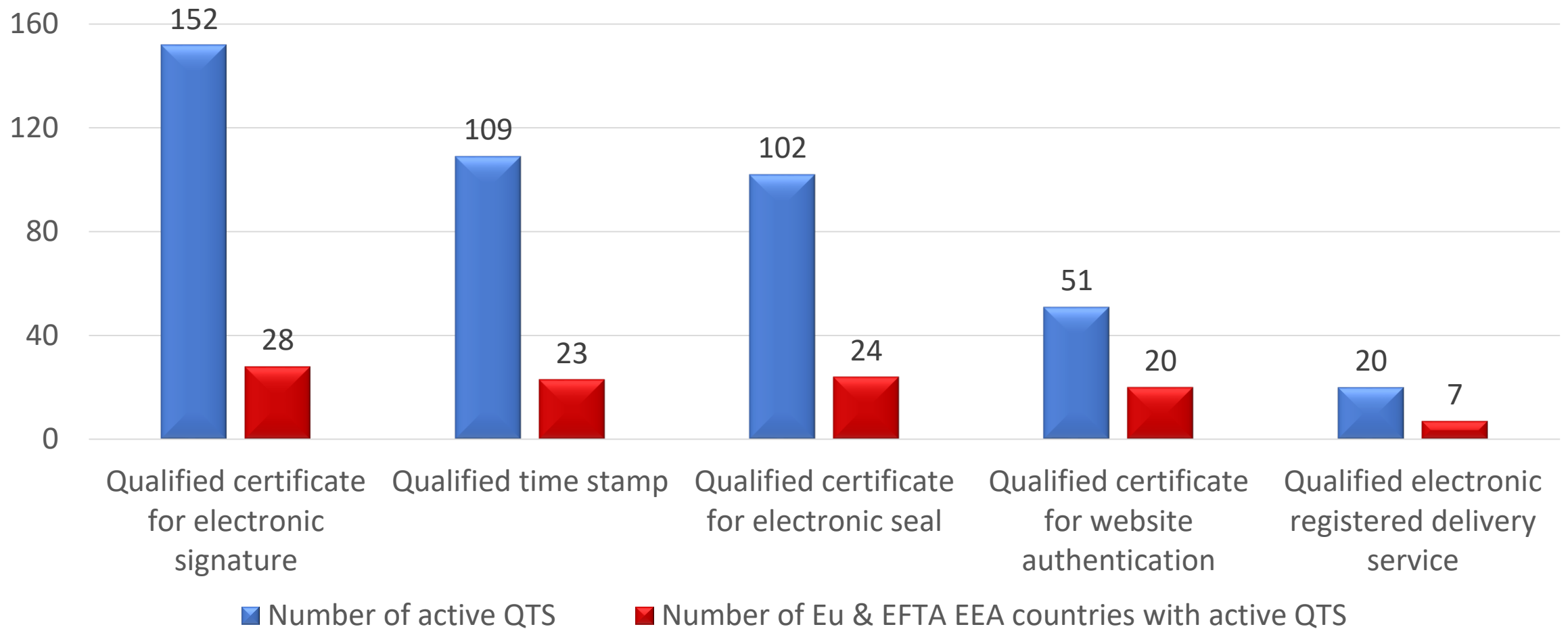
No rules for
**mutual
recognition &
legal
incompatibilities**

Lack of
**resources and of
political interest
in notifying
national schemes**

**No common
protection for
data** in terms of
privacy and for
possible
profitable
purposes.

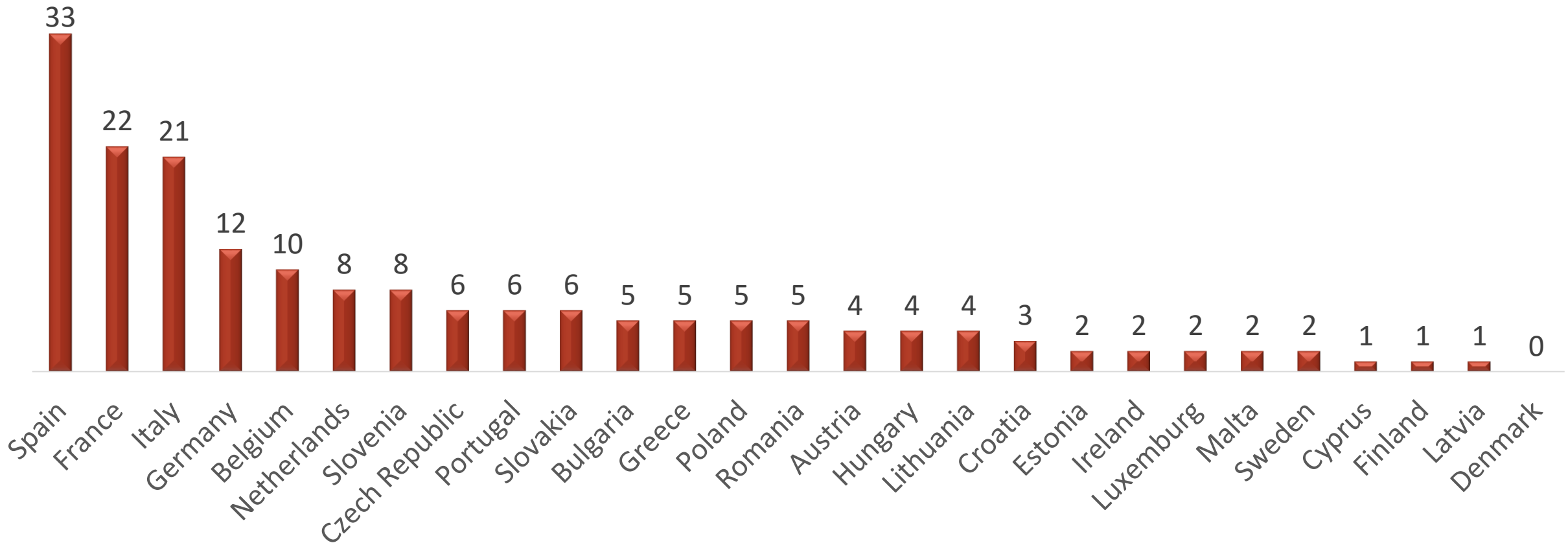
Only 14% of key public service providers across all member states allow cross-border authentication (EU Commission).

The availability of Qualified Trust Services (QTS) in Europe (March 2021)



QUALIFIED TRUST SERVICES PROVIDERS IN EUROPE

Total number of Qualified Trust Services Providers in Europe



In 2020 there were **180 Qualified Trust Service Providers (QTSPs)** in Europe.

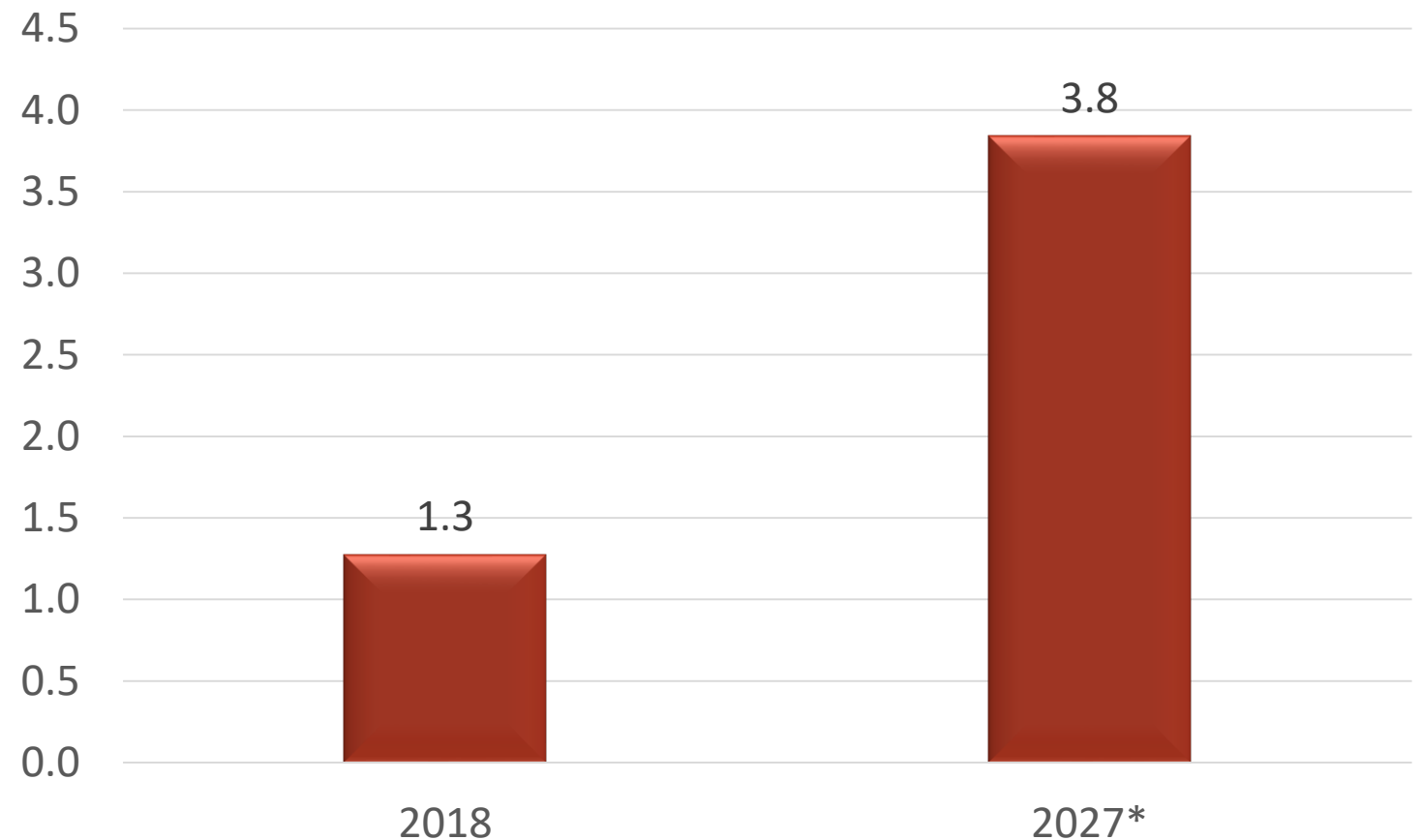
E-ID MARKET VALUE

In terms of **market value**, the **Impact Assessment** of the eIDAS Regulation does **not** provide clear **indications**.

According to **ReportLinker** (2019), in 2018 the total **turnover** for the eID market was of **€1.3 billion** + **expected** growth to **€3.8 billion** by 2027

According to a **McKinsey** Report of 2019, **eIDs** can play a massive role in the economy as a whole, **unlocking** between **3%** and **13%** of **GDP** by **2030**.

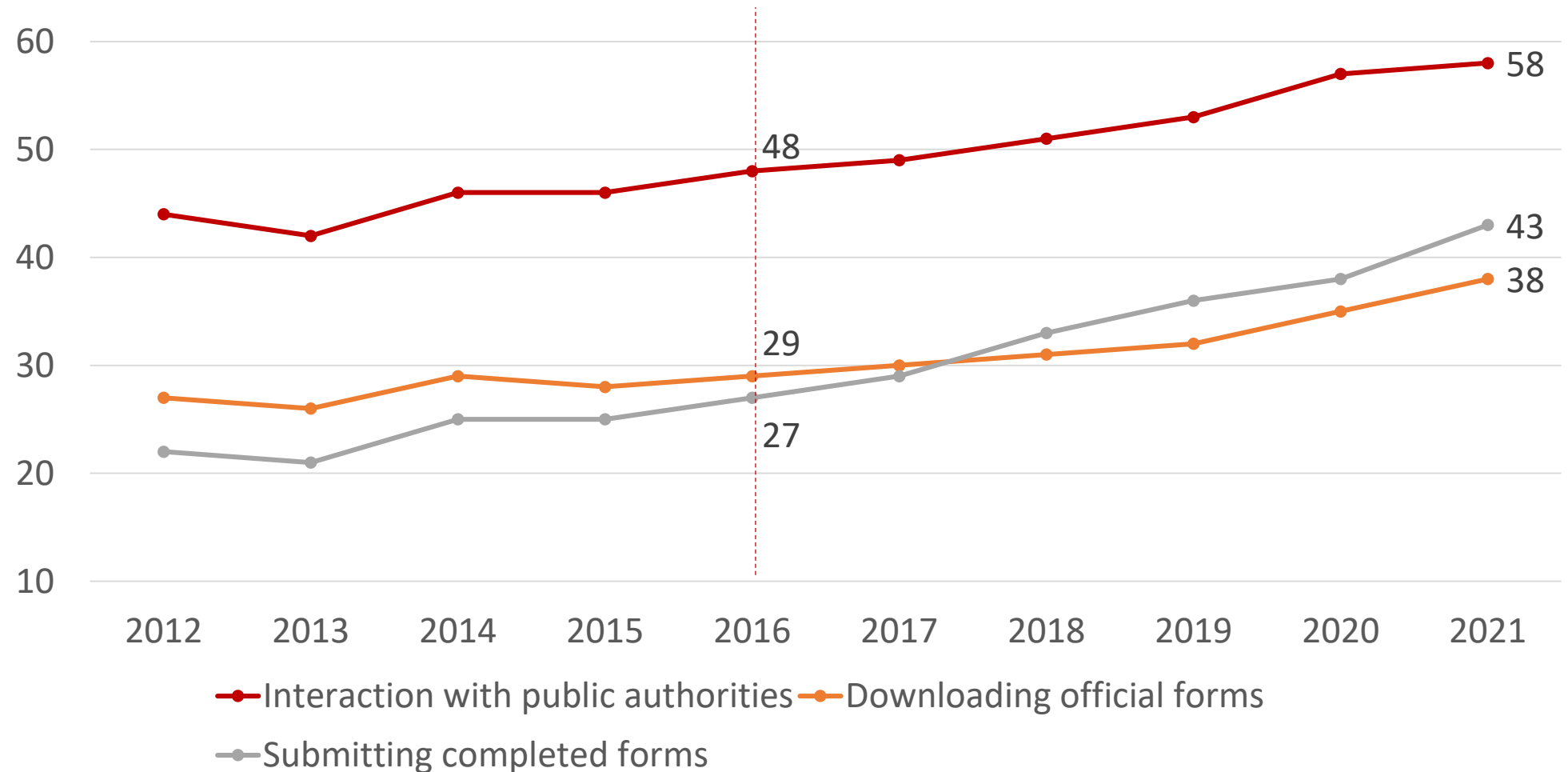
Europe identity verification market 2018-2027* (in billion €)



A GROWING MARKET

Trends in e-Government procedures in Europe (% of population, EU-27 average)

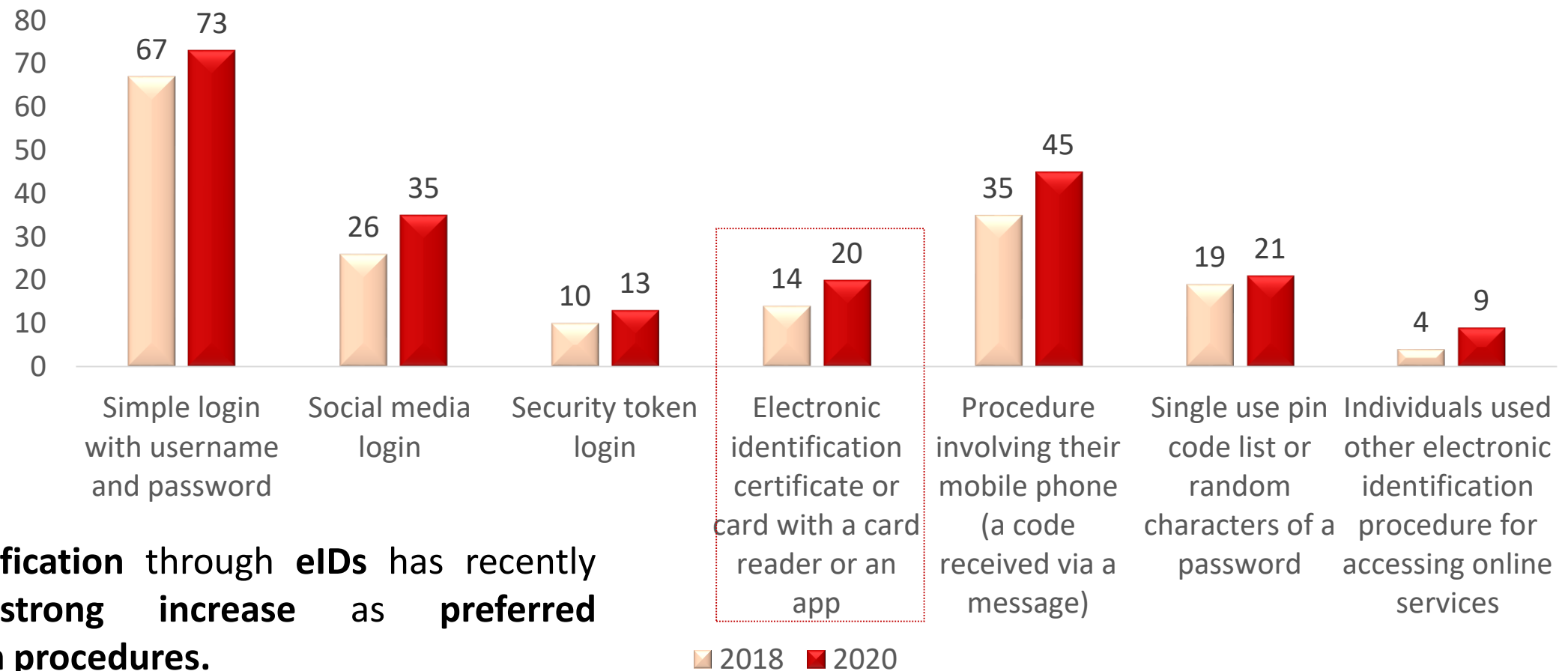
➤ Since the introduction of eIDAS Regulation, EU citizens have increased their eGov activities.



Note: The eIDAS Regulation was adopted in 2014, but it only entered into force in July 2016.

Source: Eurostat

Identification procedures used by individuals for accessing online services
(%, EU-27 average)



➤ Electr. **identification** through **eIDs** has recently faced a **strong increase** as **preferred identification procedures**.

THE EUROPEAN DEBATE ON eIDs: BENEFITS AND POTENTIAL ISSUES

Improving accessibility to e-Gov services,
making the benefits of the digital revolution easily exploitable for the whole population

Increasing level of security
ensured by the common Levels of Assurance (LoA), included in eID schemes, which lowers the risk of identity theft and misuse of personal information

Increasing the customers' perception of a safe and reliable environment,
a matter which is of increasing importance (education, health, financial etc.)

Improving users' experiences, both citizens and businesses

Streamlining relations between governments and the private sector
in services including corporate registrations, taxes, economic support, permits, and authorizations

THE DEBATE ON THE EUROPEAN PROPOSAL FOR COMMON eIDs

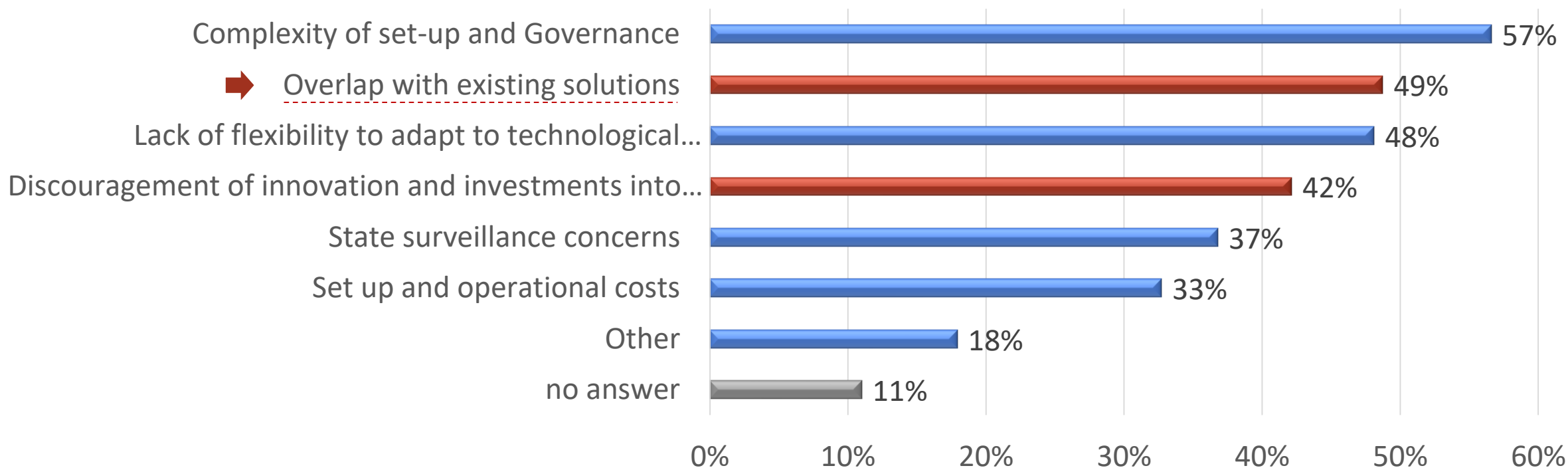
Even if the procedure is in the initial stage, **some opinions have been expressed on the approach, aims and objectives pursued by the eIDAS Regulation:**

- **European Data Protection Supervisor (EDPS):** welcomed the **general approach**, underlined the crucial role of **secondary legislation** for technical specifications and reference standards and stressed the importance of **aligning eIDs with the GDPR**.
- **Committee of the Regions (CoR):** identified **technical risks** stemming from the creation of **centralised storage** of identity data and underlined the importance of **adequate safeguards** against IT threats. The Committee retains **the use of the European Digital Identity Wallet should be voluntary**.
- **European Economic and Social Committee (EESC):** welcomed the adopted user centric approach and the guarantee for an effective protection of personal data. It also **stressed the need to align national and EU legislation on qualified electronic attestation of attributes**.

IMPACT ASSESSMENT AND POSSIBLE DISADVANTAGES

The Regulation proposal was open to Public Consultation from July to October 2021, with the aim of **collecting feedback** from stakeholders.

Impact assessment for revision of the eIDAS Regulation: which possible disadvantages of such single and uniform European digital identity scheme are you concerned of?



Potential lack of a clear distinction between the two apparently similar procedures, that bring specificities of fundamental importance both for the development of such technologies and for the processing of personal data.

“Electronic personal identifications”
(or eIDs) are a way to **prove unique identification** of a **person** in a given context under the responsibility of member states

“Electronic personal authentication means” are ways to **access online services** and websites without necessarily disclosing the personal identity.

This is fundamental for **data protection** issues, specially when considering the **interplay** between the new Regulation **proposal**, the **Nis 2 Directive** (security requirements) and the **GDPR**.

Currently, **national authorities** make use of **public-private-partnerships** and of **authorization** procedures involving **private market players** in order to **delegate** to such entities the **distribution** and the **releasing procedures** of QTSs and eIDs.

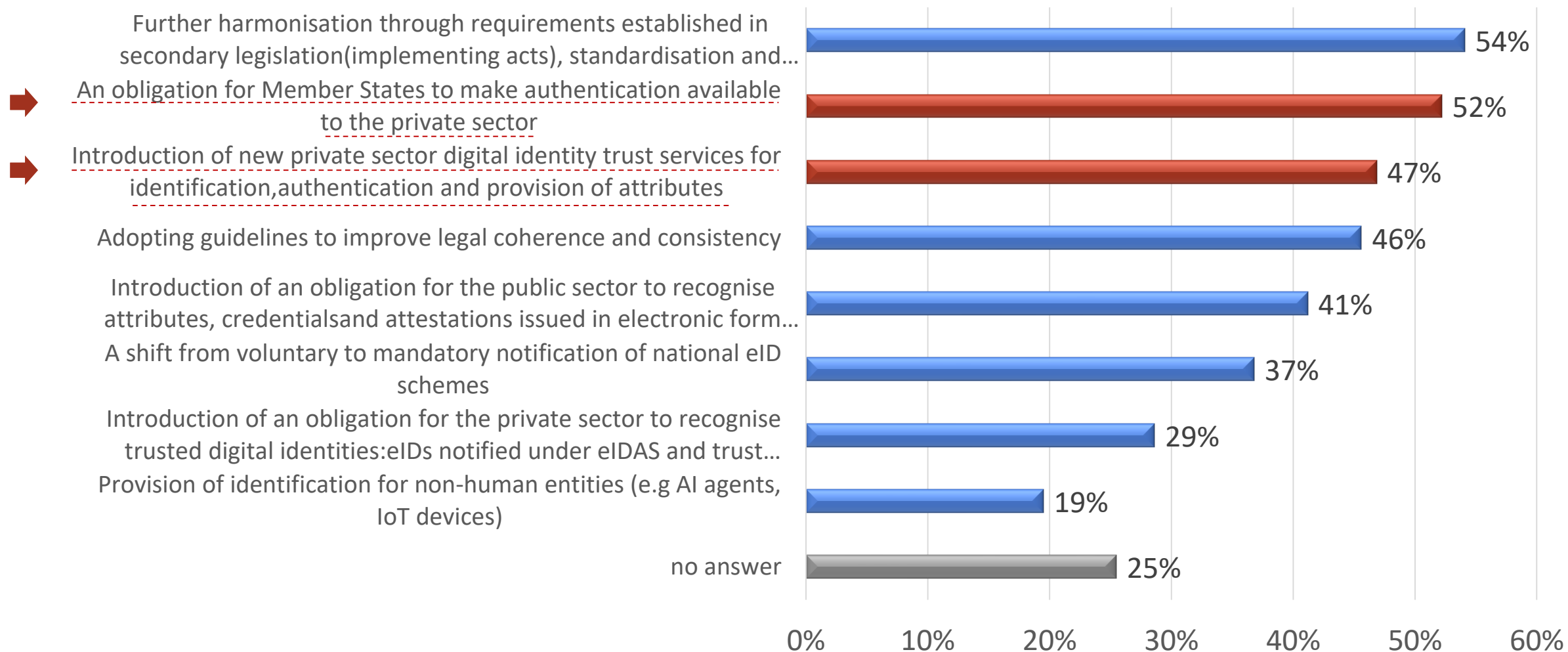
- This system favours services accessibility efficiency and variety of choice for citizens.

With the **new European scheme**

- **selected players** could count on a **competitive advantage**, being at the same time **qualified as trust service providers** plus **running a national identification scheme**.
- all **other players** would risk being in a **disadvantaged position**, and **innovation** could thereby be **hampered** as a whole.

EVIDENCE OF SUCH CONCERNS IS ALSO PROVIDED BY THE CONSULTATION

Impact assessment for revision of the eIDAS Regulation: which of the following corrective actions should be taken?



- The new Regulation proposal is a **consistent** and **ambitious** proposal trying to put order and **interoperability** in a very **complex** and **crucial** environment.
- **Benefits** are many, bot social and economic.
- It looks also important to find the **right balance** between **harmonisation**, **interoperability** and **market dynamics**, identifying the best way to **involve** the private **operators** allowing market **competition and innovation**.

THANKS !

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