

**Collaborative Solutions to
avoid frauds**

**in a country where there is NO
National Foundational ID**

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सत्यमेव जयते

Department of Telecommunications

Ministry of Communications

Government of India

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WORLD BANK GROUP

МОБД ВАНК ГРУП

BILL & MELINDA
GATES *foundation*

GATES foundation



BANK FOR
INTERNATIONAL
SETTLEMENTS



SETTLEMENTS
INTERNATIONAL

Thank you all

- Created in 2004 by presidential decree
- Private Trust owned by banks and American Express company
- Non profit organization
- Main objective: Promote electronic payments in the country



- Increased the infrastructure for receiving electronic payments in 393% in just 3 years
- Government Subsidies and banking correspondents
 - Since 2009 - Operating the biggest social subsidies program in Mexico “PROSPERA”
 - +7 million beneficiary families in rural areas with almost no communications.
 - Fingerprint Biometrics on EMV chip cards

Achievements

- Electronic payment clearinghouse for public transport
 - Standardization of prepaid contactless payment infrastructure and preparing for EMV level 1 (open payments)
- **Financial Sector interoperable biometrics solution**

Achievements

Total Population 127 million

52% \geq 18yo



Economically Active Population

- 54.4 million 3Q:2017
- Near 35% is on **Informal Economy**

Mexican Minimum Daily Income



88.36

4.76

306.62

Mexican Peso's

in US Dollar's

in Indian Rupee's

Fintech boom 234 startups 3Q:2017

- 23% Lending
- 22% Payments & Remittances
- 15% Enterprise Finance
- 10% Personal Finance
- 9% Crowdfunding



Fintech for inclusion “trend”

Working on a Specific Fintech
regulation 4Q:2017

FACTS ABOUT MEXICO

39% have **access** to financial services

78% **uses** internet services

53 banks in 2017 (were 14 on 2005)

111.6M mobile phone lines (83% prepaid)

95M registries in credit bureau



AWARDS

Identity Theft (Mexico)



**ROBO DE IDENTIDAD
EN LATINOAMERICA**

2015 - 2016



**ROBO DE IDENTIDAD
EN EL MUNDO**

2015 - 2016

Money Laundering (Mexico)



2017

After :

- 1.- China
- 2.- Russia

Corruption (Mexico)



Before :

- 2.- Dominican Republic
- 3.- Peru

- We have NO Foundational ID
- 50.6% Population below poverty line 2016
- 35% of economically active population is on informal economy
- Geographically Close to US

Why is that ?

The truth is that you can be
anybody you like to be



- Digital ID is not about social networks and how active are you in them



- Digital ID is about WHO ARE YOU ?



- Is about a reasonable way to authenticate yourself for accessing Electronic Services (Government &/or Private)



- Since 1992
National Registry of Population (RENAPO)
 - Civil Registry (birth certificate)
 - Population Registry Unique Key (CURP)
 - No Biometrics
- **Functional Digital IDs**
 - Voters Card (Biometrics)
 - Passport (ICAO Standard)
 - Taxes (Biometrics)
 - Healthcare (Biometrics)
- They are **NOT USED** in transactions
- Who are you between 1 & 18 years old ?
- And if you are not Mexican ?
- No coverage from birth to dead

Mexicans Identity

Voters Registry

National Population Registry



Functional

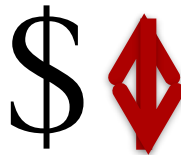
Foundational

Mandatory DIGITAL ID

Political Parties

VOTERS CARD

**MOSTLY USED AS ID
IN ALL THE COUNTRY**



budget \$



- Top Down
 - Core identity
 - National Identity Scheme
- Bottom up
 - Arises from the needs of a particular sector



Different approaches

LOA1	LOA2	LOA3	LOA4
Little Confidence on identity validation	Medium Confidence on identity validation	High Confidence on identity validation	Very High Confidence on identity validation
No identity Validation	Identity Validation through <u>Documents</u>	Identity Validation vs <u>Issuer of Document</u>	Identity Validation vs <u>Issuer of Document & a Third Party</u>

Level Of Assurance - NIST



- Collaborative solution among financial institutions
 - Financial unique Digital ID
 - Adherence to Standards: **FBI, NIST, ISO, ANSI**
 - **Interoperability** between institutions
 - Objectives: **Avoid Identity Theft, Fraud & Money Laundering**
 - Uses Biometrics: **Fingerprints and Facial Recognition** (Avoid discrimination and adds increased level of assurance)
 - **Identity Risk Score, monitor and alert system**
-

- 4Q:2018 REGULATION - All banks should go to validate the Voters Card to the National Voters Institute with fingerprint biometrics (Authentication) - **LOA3**
- Adding Third Party Identification & Authentication fulfilling regulation - **LOA4**
- Shielding the financial system from fraud associated with the lack of national identity and its inherent problems

Where are we?

**FRAUD MUST BE ATTACKED BY ALL
YOU CAN'T DO IT ALONE**

- What is Next ?
 - eKYC
 - CDD (Customer Due Diligence)
 - Financial Inclusion (Reducing Documents for accessing products) using Digital ID
 - OFF-LINE Banking Correspondents

Next Steps

Thank you

धन्यवाद

Gracias

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