

Minutes of meeting

Sprint Review

Date: 16.10.24 | Virtual meeting

Agenda

1. **Introductions**
2. **POC Update**
 - a. Key updates and walk through of deliverables
3. **Discovery Survey Pt.2**
 - a. Barriers to internal and market adoption of a company ID.
4. **Open Discussions**
 - a. How do we overcome market adoption barriers for Company ID (we have selected the top 5 based on survey results)?
 - b. What are the emerging recommendations from this coalition, in terms of industry / policy / data enablers?
5. **Interim Paper Update**
6. **Next Steps/ AOB**
 - a. Recap of key actions to take into next.
 - b. AOB / Q&A

Minutes	
Item 1 – Introductions & guiding principles on competition	
Purpose: For information	
Speaker: HS	<ul style="list-style-type: none">• Leon Ifayemi (LI) Reminder of the anti-competition principles all CFIT Coalition meetings are governed by.

	<ul style="list-style-type: none"> • Welcomed everyone, thanked everyone for the support offered so far. • Encouraged participants to share insights via various methods, including direct outreach or through chat, and follow-up options are available for later discussion. • Confirmed the agenda and moved onto the first topic.
Comments:	None
Decision:	N/A – for information only
Actions:	None

Item 2: POC Update

Purpose: For discussion/information

Speaker: LI	<p><u>POC Progress:</u></p> <ul style="list-style-type: none"> • Productive individual meetings were held with Lloyds, Monzo, and NatWest, followed by a joint workshop with the economist to agree on the POC impact methodology. <p><u>POC Objectives:</u></p> <ul style="list-style-type: none"> • Develop a standardised minimum Company ID dataset. • Validate the Company ID solution's ability to: • Prevent fraud through enhanced verification. • Streamline onboarding, reducing time and cost for both financial institutions and clients. <p><u>Workstreams</u></p> <ul style="list-style-type: none"> • Design Stream: Focuses on developing a universally applicable UI/UX onboarding flow for financial service providers. Informed by PoC questionnaire responses and discussions with data suppliers.
-------------	---

- **Data Stream:** Aims to align data tables (high-level data fields required for Company ID) provided by CFIT with PoC partners. Sharing real data via API is out of scope, but essential data fields will be referenced.

Collaboration with POC Partners:

- POC Partners were asked to collaborate with teams across Compliance, KYB/Onboarding, Fraud, Innovation/Product, and Risk when completing the Impact assessments to ensure consistency and credible modeling.

Upcoming Dates:

- **21st/22nd October:** Consultation Workshops for demonstrating the UX flow and data points.
- **15th November:** POC partners to return their results to CFIT.
- **FSB & Sage** have both agreed to gather a sample of up to 30 companies from their consumer base to test the impact of a Company ID.
- **Key focus:** Assess willingness to pay and perceived benefits, such as fraud prevention, streamlined onboarding, and improved lending access.

Discovery Survey Review:

Objectives:

- a) Define use cases (priority on KYB onboarding).
- b) Prioritise data sets for the Company ID (now outlined).
- c) Identify adoption barriers (market and internal).

	<ul style="list-style-type: none"> • Thanked participants for survey responses, which helped define the corporate ID concept.
Comments	<ul style="list-style-type: none"> • none
Decision:	<ul style="list-style-type: none"> • N/A
Actions:	<ul style="list-style-type: none"> • none

Item 3: Survey Results pt.2

Purpose: For discussion

Speaker:	<p><u>Market Barriers and Discussion:</u></p> <ul style="list-style-type: none"> • Five key barriers identified from the survey: <ul style="list-style-type: none"> a) Legislative and regulatory timelines – need for policy support for new ID solutions. b) Safe data sharing and trust – need for governance, awareness, and a framework for disputes. c) Real-time data access – need for standardisation and consistency. d) Reluctance to share data – businesses view data as a competitive asset. e) Liability concerns – need for clear liability agreements between data suppliers, owners, and users. • The floor was opened to discuss potential solutions to the five identified barriers, with the goal of achieving actionable steps to advance the ecosystem.
----------	---

Comments (on chat):	<ul style="list-style-type: none"> • Adrian Field (AF) there is duplication in some of these, eg. 2 talks about liability, as does 5 – it would be good to separate these into distinct issues.
Decision:	<ul style="list-style-type: none"> • N/A
Actions	None

Item 4: Open Discussions

Speaker: LI	<p><u>Open Discussion 1: How do we overcome these barriers?</u></p> <ul style="list-style-type: none"> • Vivienne Artz (VA) Data quality has improved but is still not ideal for actionable, verifiable use in the Company ID system. • Raised concerns about focusing solely on the UK when organisations operate globally, stressing the importance of global interoperability. • LI Questioned whether Company ID should be a regulated activity and who would take ownership if it is regulated. • Highlighted the gap between what Companies House is doing with its reforms and what the coalition aims to achieve with the Company ID framework. • Suggested that Companies House could verify more information about businesses, which Company ID providers could build upon. • Requested input from Vivienne on regulatory frameworks, particularly from the EU, that could inform the approach. • VA Expressed opposition to making Company ID a regulated activity, noting that regulators tend to avoid unnecessary regulation to prevent added burdens.
-------------	---

- Suggested aligning with the EU's new corporate ID system, which automatically assigns corporate IDs at no cost, promoting widespread adoption.
- Proposed that government procurement should require corporate IDs, which would drive adoption without additional cost.
- **LI** Agreed with Vivienne's points, stating that this approach would promote the desired behaviours and practices in the ecosystem.

- **Paul Baker (PB)** Mentioned government involvement in supporting legislative frameworks for individual or citizen IDs, referencing the work done with the Digital Information and Smart Data Bill. Recommended engaging with DSIT more proactively to align the Company ID initiative with government frameworks.

- **Liz Brandt (LB)** Highlighted the importance of considering regulatory oversight for the initiative. Emphasised the need for a coordinated approach between sectoral regulators (e.g., FCA for financial services) and broader market regulators (e.g., CMA for market fairness).
- Raised concerns about the complexity of determining which regulatory body should have overall responsibility, given that the Company ID system spans multiple sectors.
- **LI** Acknowledged that multiple regulatory bodies may be involved (FCA, ICO, CMA) due to the diverse nature of the initiative, suggesting that stakeholders need to agree on a common understanding.

- **LB** Proposed that oversight should be split between horizontal governance bodies like the ICO and CMA, while sector-specific regulation should fall under relevant sector regulators. She expressed

uncertainty about how this structure would fit within the broader market context.

- Mentioned the DRCF (Digital Regulation Cooperation Forum) as a potential combined regulatory body that could oversee the initiative.
- Added that resistance to data sharing may be linked to a lack of perceived commercial benefit. Suggested that building a commercially sustainable model could help overcome this resistance and also address cost burden concerns.

- **LI** Opened the discussion for comments on multiple barriers at once, instead of addressing them one by one.

- **Andrew Churchill (AC)** Focused on the interplay between legislation and data sharing, particularly referencing the Data Protection Digital Information Bill (now called DISD – Digital Information Smart Data Bill).
- Stressed that this bill includes clauses mandating data sharing, especially in relation to economic crime and corporate transparency.
- Referenced a report on Fintech to Ubiquitech and touches upon the need for data clarity for effective corporate identification and the fight against financial crime.
- Highlighted that Companies House data is often inaccurate, which diminishes its usefulness. He links this problem with the goals of the Online Safety Act to emphasise the city's focus on creating a trustworthy corporate structure.
- Concluded by framing the situation as an opportunity for the City of London to leverage its global standing.

- **Nick Mothershaw (NM)** Introduced his perspective by discussing that while **DIATF** (Digital Identity and Attributes Trust Framework)

currently applies to **individuals**, it isn't designed for companies. Expanding it for corporate use would stretch its base framework.

- Suggested that while good practices from the individual framework could apply, a separate or extended set of rules is needed for corporate ID.
- Mentioned ongoing work with a paper through the **City Hub** due in December, which will address governance considerations related to **credential issuance**.
- Recommended extending the existing trust framework rather than creating a completely new one.
- **LI** Asked Nick whether it would be more appropriate to extend the trust framework or to create an entirely new framework.
- **NM** Advocated for extending the current framework rather than starting from scratch.
- Highlighted the importance of adding layers that can accommodate corporate identity, and mentions the need to define authority delegation in the framework.
- **Glen Keller (GK)** Posed a question about whether banks are currently required to perform identity verification themselves or if they can delegate this responsibility to third parties.
- **VA** Clarified that banks can use third-party services to assist in the customer identification process, though they retain ultimate responsibility.
- **GK** Followed up, asking if the third-party identification services must provide all underlying data to banks, or if banks can trust those services without independently verifying the data.

- **John Harrison (JH)** Suggested that the **FCA** (Financial Conduct Authority) should define a standard compliance data pack, and banks should be required to release that data pack to organisations upon request, free of charge.
- Argued that once this happens, banks would likely outsource compliance work to third parties, realising the economic benefits of such an arrangement.
- **NM** Pointed out that while reliance on other financial institutions is allowed, the ultimate responsibility remains with the bank, which means they often require full data for record-keeping purposes, even if third parties are used.
- **AF** Supported Nick's view that **DIA TF** needs further development to fully account for corporate identity.
- Noted that legislative frameworks like **DISD** may take time, but the private sector can move ahead by leveraging models like **open banking** for **corporate ID** and **data sharing**.
- Emphasised that private sector action on implementation can accelerate the timeline, while waiting for legislation to catch up.
- **Tony Curzon Price (TCP)** Asked about banks onboarding with company IDs. Inquired about liability transfer from the bank to the company ID provider.
- Asked what the probability of a Company ID provider taking on liability through private contracts.
- **LI** Acknowledged the blended nature of liability between company ID providers and underlying data suppliers. Noted both regulatory

elements and commercial considerations are important in shaping these frameworks.

Open Discussion 2: What are the emerging recommendations from this coalition, in terms of industry / policy / data enablers?

- **LI** Moved the discussion to emerging recommendations based on feedback, structured into three categories: industry enablers, policy enablers, and data enablers.
- **JH** Raised concerns about maintaining and developing company ID standards. Stressed that corporate ID and personal ID are distinctly different, suggesting that extending the DSIT trust framework might not be ideal.
- **NM** Agreed with John on the need for proper stakeholder involvement. Suggested that FCA or Companies House could lead the development of standards but emphasised the importance of industry input.
- **LI** Proposed a joint effort between regulators (FCA, Companies House) and industry stakeholders to iterate on the current frameworks.
- **NM** Highlighted the importance of industry expertise in the framework's design to meet practical needs.
- **Nina Kerkez, (NK)** Supported involving industry players and stressed the importance of interoperability between different systems.
- Suggested that multiple organisations (e.g., stock exchanges, central banks) should verify company credentials.

- **VA** Discussed the LEI (Legal Entity Identifier) system by the Financial Stability Board and its global use for company IDs.
- Emphasised that the LEI system is accessible, high-standard, and global, though it requires a fee from companies to obtain and maintain.
- **LI** Clarified that banks, not SMEs, are expected to bear the cost of company ID solutions, which is key to encouraging wider adoption.
- **JH** Questioned the commercial model and suggested exploring SME involvement in the initial setup cost while banks manage ongoing maintenance fees.
- **LI** Acknowledged John's concerns, agreeing to explore different commercial models but reiterated that banks are currently responsible for regulatory compliance.

- **GK** Suggested learning from open banking's monetisation challenges and advocated for a combination model where companies pay an upfront fee and banks pay for ongoing use.

- **Lewis Utley (LU)** Emphasised the need for continual monitoring of companies to prevent financial crime, as annual updates are insufficient.

- **Grant MacDonald (GM)** UK banks are already paying for various types of corporate ID data beyond just Companies House, such as data from the Charity Commission, Gambling Commission, FCA, VAT register, and marketing databases. This multi-source corroboration helps verify a company's existence and trading status. However, challenges remain, particularly in obtaining data like occupation, nationality, and source of wealth or funds when crossing borders. This

	<p>is where a consented journey could help fill the gaps, redistributing crucial data through the industry. He also highlights how a business's digital footprint grows over time as it registers with various regulatory bodies, posing a challenge when onboarding businesses with minimal initial digital presence.</p> <ul style="list-style-type: none">• LI supported Grant's points, acknowledging that while it's important to consider current methods, the coalition should not be limited by them. He welcomes the insights as a foundation for further discussions.
Comments (On Chat)	<p><u>Open discussion 1</u></p> <ul style="list-style-type: none">• Penny Dunbabin (PD) - Vivienne - please can you supply the reference to the EU corporate ID?• VA https://irsg.co.uk/assets/Reports/AA_IRSG_DataTransfers_05.pdf• https://www.irsg.co.uk/publications/irsg-report-how-the-trend-towards-data-localisation-is-impacting-the-financial-services-sector/• Julie Dawson(JD) https://www.drcf.org.uk/• PD Just a clarification on failure to prevent fraud in the Economic Crime and Corporate Transparency Act 2023. The guidance does not mandate anything, it sets out what organisations need to do to have a defence in the event of a prosecution for failure to prevent fraud. (It is similar to the procedures for failure to prevent bribery).• AF sharing data is already a GDPR right, that is not granted by most orgs https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/individual-rights/individual-rights/right-to-data-portability/#ib1• The right to data portability gives individuals the right to receive personal data they have provided to a controller in a structured, commonly used and machine readable format. It also gives them the right to request that a controller transmits this data directly to another controller. "It also gives them the right to request that a controller transmits this data directly to another controller."

- **VA** A big difference between a right and an obligation, particularly in relation to data protection law, so important not to merge the two.
- **AF** this is the 'not granted' point!
- **VA:** https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-digital-identity_en
- The European Union (EU) Digital Identity (eID) is a framework that allows businesses to identify and authenticate themselves online and across borders. The eID is intended to be a secure and user-friendly solution that can be used for both public and private services.
- **Paul Wilshaw (PW)** Sorry, this may have been covered somewhere else. Is there a trust aspect after the 'data pack' is created and authenticated – even after a few minutes this data could be subject to change, either malicious or intentional?
- **AF** Another key point is 'who pays' for the corporate ID – banks pay today for KYB. Would the corporates pay directly, and what would they expect in return? or would gov pay as in EU (unlikely!) – is there a charge for One Login to CH?
- **GK** (replying to **PW**) It's something we're trying to incorporate in the execution. It should incorporate a live monitoring of changes and notify relevant parties.
- **PW** great news, this is something we're passionate about at zally.

Open Discussion 2:

- **AF** corporate ID is built on individual ID
- **VA:** The EU aims to promote adoption of individual digital ID by requiring all companies and govt bodies to accept the individual digital ID across all member states. That is the legislative framework.
- **Thushan Kumaraswamy (TK)** GLEIF also launched vLEIs (verifiable LEIs) for individuals in specific org roles within the org.
<https://www.gleif.org/en/vlei/introducing-the-verifiable-lei-vlei>

	<ul style="list-style-type: none"> • AF is another option that SME pays via CH fees? • PD: What is the cut-off for corporate ID? Are you suggesting that all companies on CH should do this? Or are you suggesting that it is voluntary, but you encourage it by procurement requirements etc. • NM: Sorry, have to drop off now. Excellent discussion! • TCP GLEIF fee seems to be \$11 per year per LEI • AF fragmented things could be joined by a corporate ID (& charged in one fee) – CH fees, LEI, ICO, corp ID wallet etc. • PW Banks, schools, government, etc have to pay for other services such as DBS, credit checks etc. I'd suggest that this could reduce providers and complexity in onboarding time and cost for the banks. This could actually be a cost saving for any these orgs. • TCP (replying) In fact, it could be an upside of CID that its regulatory fees could be listed and CID provider could provide single payment as a service • GK Regarding updates: – annual fee / transactions other fees would keep it updated throughout the year too – not just an annual update. • AF paying for multiple fees is already an admin headache that we could simplify • Liz Brandt (LB): I am wondering if the cost burden for corporate ID could be shared with other Data Enabled Services in entities such as Authorised Third Parties (as mentioned in the CMA definition of Smart Data). Critical will be avoiding rent seeking fees that will create inflated costs across all markets. • TCP I wonder if the payment question could be organised a little more like a market, while recognising the reuse value of data. So, for example, a bank onboarding an account might pay for original data; then, when SME finds it could re-use that data, they can then "buy" that info off the bank and gain the right to re-use.
Decisions	<ul style="list-style-type: none"> • N/A

Actions	<ul style="list-style-type: none">• None
Item 5: Interim Paper	
Speaker: LH	<ul style="list-style-type: none">• Leighton Hughes (LH) gave an update on the upcoming interim paper, which will provide key progress updates and outline emerging thoughts on company ID, including its practical application in onboarding and KYB. He mentions that a final blueprint will be published in March 2025, featuring outcomes from the proof of concept (POC) and exploring the impact of company ID on various processes.• The coalition's work on company ID focuses on verifying key attributes, individuals behind the company, and the authority of such individuals. The aim is to create a reusable, permission-based, and interoperable system.• LH underscored the importance of legislative and regulatory enablers, such as the UK Digital Identity and Attributes Trust Framework, the Companies House reform, and the Digital Information and Smart Data Bill.• JH raised a concern about the definition of "digital ID," differentiating between a compliance data pack for banks and a digital credential that SMEs can use to prove their identity over networks. He questions whether SMEs can use digital credentials outside of banking contexts and how these models will scale.• LI replied by clarifying that credentials validated by a company ID provider can be shared with banks and other entities, asserting that

	<p>banks are indeed willing to accept these credentials through the coalition's work.</p> <ul style="list-style-type: none"> • The core purpose of the coalition's initiative is to drive change in the process of business verification (KYB – Know Your Business). Banks are currently obligated to undertake rigorous verification processes, but the goal is to create a more streamlined and reliable system that reduces their burden. This new framework would allow banks to depend on verified data from providers without undergoing the current strenuous procedures.
<p>Comments (on chat)</p>	<ul style="list-style-type: none"> • TK Will the paper highlight differences or known weaknesses in existing CIDs like LEIs and vLEIs? • Paddy O’Keefe (POK) On the "What is a company ID slide" I feel it would be valuable to add in that it should be current/ up to date. I understand this is captured pictorially in the circle image. However, i would see the up to date nature as a "Key feature". • Jay Patel (JP) Or atleast incorporate the last refresh date • GM I wouldn't recommend using Open Banking to confirm active and trading as a first port of call...Bureau data will show they are making commercial credit applications and Turnover data shared by the CMA9 (The UK's largest banks) will show inflows and outflows to evidence trading • GK there's a question on that (as you mentioned earlier) – with newer companies though. • GM Absolutely...you're right. That data will be scarce for new companies • GK Can you expand on this bit (to GM) "Turnover data shared by the CMA9" -- what's the mechanism for that sharing? • Lewis Utley (LU) Adding to what Grant says, trade payments, utility payments and the like though reach the suppliers who have significant programmes monitoring this quickest though.

	<ul style="list-style-type: none"> • GM But if they have data available through Open Banking, you can assume they have a bank account and will have a bureau footprint. Open data through accountancy package providers will also be an interesting option (as is HMRC data through Konfir) • Jaidip Banerjee (JB) Data quality of underlying data is key . Is there a view on who or how the quality issue will be addressed? • GK This is a really good point. I want to make sure we're looking at this from the perspective of a potential fraudster to look for ways of gaming the system. I think the answer is somewhat cross referencing across multiple sources. • GM The UK's largest banks are mandated, under the 2015 Small Business and Enterprise Act, to share aggregate transaction data on all customers with an annual t/o <£25m on a monthly basis with UK bureaus. This offers a solid digital footprint for >80% of uk businesses • GK Thanks. it's often those with the challenger banks that can be a problem! - (e.g. recent news about Starling and Revolut) • GM Interestingly...the act was passed to give smaller players access to this information...the larger banks were able to make more intelligent decisions because of their breadth of transactional data. This data allows small banks to benefit from the larger banks data aggregated and anonymised • TK Are the POC banks sharing fraud rates and onboarding time KPIs before and after implementation?
Decisions	<ul style="list-style-type: none"> • N/A
Actions	<ul style="list-style-type: none"> • None
Item 6: Closing	
Speaker: LI	<u>Collaboration</u>

- The coalition has successfully engaged key stakeholders, including Lloyds, Monzo, NatWest, SMEs, and regulators, ensuring that the framework is both compliant and commercially viable.

Progress

- Established the coalition and defined core data sets for corporate IDs.
- Engaged three major banks for testing across compliance, risk, and onboarding.
- Convened a panel with FSB and SAGE to validate the initiative with real businesses.

Commercial Model

- Although not the main focus, feedback indicates that both SMEs and banks may be willing to pay for the service if a viable model is developed.

Upcoming Work

- An interim paper is due in November, along with initial design screens for review. The coalition is preparing for a showcase on March 6, 2025.

Next Sprint

- The next phase will address user experience, data protection, and storage issues.

Closing Remarks

- Engaging discussions are encouraged, and all stakeholders are invited to share thoughts offline. The next sprint is set for **October 30**.

Comments (On Chat)	<ul style="list-style-type: none"> • LB Well done Team CFIT and the Coalition. • PW great session, thank you.
Decisions	<ul style="list-style-type: none"> • N/A
Actions	<ul style="list-style-type: none"> • None

Attendees:

Chair/s: Leon Ifayemi

Total Attendees: 57

Organisation
CFIT
Allen & Overy Shearman
Alloy
Bank of England
Cardiff University
CoLC/ CFIT
CRIF
Ctrl-Shft
Daon
Dun & Bradstreet

Encompass
Esynergy
Experian
FDATA
Fintech West
GLEIF
HSBC
Leading Point
LexisNexis Risk Solutions
Lloyds Banking Group
Mastercard
Moody's
Nationwide
NatWest
OBconnect
OIX
OneID
Santander
Technology Strategy

TechnoXander

The Home Office

The University of Edinburgh

UCDX

Virgin Money

Visa

Yoti

Zally