

Minutes of meeting

Sprint 10

Date: 27.11.24 | Virtual meeting

Agenda

1. **Introductions**
2. **Updated CID Stack**
 - a) Company ID stack updated buckets
3. **Wallet UX Flow**
 - a) Walk through of UX journey of the Wallet Model
4. **Open Discussion**
 - a) How do you think the Co.ID should align to EU legislation to allow for cross-border interoperability for data sharing?
 - b) Does the Coalition see any significant challenges in implementing a Wallet model versus the proposed existing Aggregator model. If so, what are they?
How do we overcome these challenges?
5. **Next Steps/ AOB**
 - a) AOB / Q&A

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

	<ul style="list-style-type: none"> • Noted this is the penultimate session for 2024; the final session will be held on December 11, with another in early January 2025. • Expressed pride in the coalition's progress in tackling complex issues for UKPLC. • Acknowledged contributions from 71+ key organisations, including government, academia, and industry. • Shared positive outcomes from the POC assessment conducted by Lloyd's, Monzo, and NatWest. Details and results to be presented on December 11. • Encouraged open and flexible contributions, whether via meeting discussions, emails, or one-on-one conversations. • Acknowledged chat monitoring for additional comments/questions. <p><u>Coalition Ways of Working</u></p> <ul style="list-style-type: none"> • Emphasised respect, collaboration, and open-mindedness in discussions. • Requested participants to raise hands for contributions to give all participants the opportunity to talk. • Stressed the importance of focusing on the agenda while valuing all perspectives.
Comments:	<ul style="list-style-type: none"> • None
Decision:	<ul style="list-style-type: none"> • N/A – for information only
Actions:	<ul style="list-style-type: none"> • None
<p>Item 2: Updated Digital Company ID Stack</p> <p>Purpose: For discussion/information</p>	

<p>Speakers: RH, AF, GK</p>	<ul style="list-style-type: none"> • Rob Haslingden (RH) Reiterated open communication, encouraging questions via chat or raised hands while respecting others. • Redesign focus was on defining core datasets for the company ID stack as part of the Proof of Concept (POC). <p><u>Updated Company ID Stack and MVP Development</u></p> <ul style="list-style-type: none"> • We have Engaged data suppliers over the past two weeks to validate the sourcing and verification of mandatory datasets, with authentication documents provided. • Highlighted the role of core datasets in supporting onboarding journeys for banks, reducing fraud, improving speed, and enhancing SME user experiences. • Stressed the need for complementary datasets (e.g., HMRC, LEI, open banking) for broader use cases while maintaining flexibility and SME trust. • Discussed plans to finalise mandatory datasets, build an MVP, and test it within the FCA sandbox for regulatory feedback. <p><u>Trust, Governance, and Use Case Flexibility</u></p> <ul style="list-style-type: none"> • Announced the launch of a Trust and Governance Working Group to define: <ul style="list-style-type: none"> ○ Primary use cases and associated datasets. ○ Trust and governance criteria. • Emphasised tailoring data sharing to specific use cases to balance SME concerns and operational needs.
<p>Comments</p>	<ul style="list-style-type: none"> • None
<p>Decision:</p>	<ul style="list-style-type: none"> • N/A

Actions:	<ul style="list-style-type: none">• none
Item 3: Digital ID Wallet UX Flow Purpose: For discussion	
Speakers: AF, GK, NM, JH, MD	<p><u>Digital Wallet Overview</u></p> <ul style="list-style-type: none">• Introduced the concept of a digital wallet as a repository for verified company and director information, stored securely and accessed flexibly via cloud or mobile apps.• Outlined guiding principles:<ul style="list-style-type: none">○ Authentication and evidence-backed data sharing.○ Flexible data use to suit specific contexts. <p><u>Principles of a Digital Wallet</u></p> <ul style="list-style-type: none">• Adrian Field (AF) Gave an overview of Holder Service Providers (HSPs):<ul style="list-style-type: none">○ New role in the DITF framework, enabling certification for specific services.○ HSPs facilitate verified data sharing via APIs, personal data stores, or mobile/cloud-based wallets. <p><u>Key Technical Insights:</u></p> <ul style="list-style-type: none">• Verifiable data through trusted sources, ensuring tamper-proof sharing.• Flexible storage options: real-time data retrieval vs. stored data.• Various formats for authentication (e.g., W3C credentials, open banking APIs). <p><u>Delivery Mechanisms:</u></p> <ul style="list-style-type: none">• Wallets may operate as mobile apps, cloud services, or hybrid models.

- Ensured security via multi-factor authentication and minimised data retention risks.

Consent and Governance:

- Raised complexities of consent for personal and shared data within a corporate wallet context.
- Suggested further discussion in working groups.

Financial Inclusion Considerations:

- Advocated mobile-first approaches while ensuring accessibility for those without mobile devices.
- **RH** Acknowledged the significance of a channel-agnostic approach to Company ID.
- Highlighted mobile apps' potential as data-sharing platforms.
- Cited the German government's example, where Personal Identity Data (PID) is accessed via pointers to a national database rather than being stored on devices.
- Company ID providers should have flexibility in implementation (e.g., browser-based or mobile access) while considering the implications for data portability and governance.
- **Nick Mothershaw (NM)** Advocated for minimising on-device data storage, especially dynamic or voluminous datasets like affordability or credit reference data.
- Pointed to a hybrid model where only consent or pointers are stored on devices, with data retrieved live from centralised repositories.
- Cited regulatory and practical examples (e.g., Germany's national database integration with ID wallets).

- **John Harrison (JH)** Suggested a cloud-based approach for corporate IDs, especially for SMEs, as corporate IDs inherently involve multiple contributors.
- Raised the question of whether personal IDs used in corporate roles should be distinct from personal/private IDs.
- Highlighted trade-offs between flexibility (allowing diverse provider approaches) and standardisation (ensuring portability and interoperability).
- Suggested exploring shared open-source solutions for reduced cost and increased interoperability versus proprietary models.

- **AF** Proposed a role-based credential system to differentiate personal and corporate identities within the same app or wallet.
- Acknowledged the need for balancing flexibility in corporate ID solutions with portability and standardisation requirements.

- **Mark Devlin (MD)** Questioned the practicality of device-centric solutions for corporate IDs, given their non-individual nature.
- Stressed the importance of ensuring seamless integration into online processes and alignment with regulatory expectations.
- Expressed interest in technical details for integrating such solutions into existing systems, particularly from a security standpoint.

- **Glen Keller (GK)** Presented a refined flow for Company ID Wallet creation, incorporating:
 - Verification through both device-based and cloud-based methods.
 - Flexibility to use existing IDs or create new ones.

	<ul style="list-style-type: none">○ Consent-driven data sharing aligned with open banking principles.● Clarified that data storage on devices is minimal, focusing instead on live data retrieval enabled by cloud repositories.● Highlighted adaptability of the design for multiple access points (e.g., mobile apps, web interfaces) and future wallet integrations.
Comments:	<ul style="list-style-type: none">● JH: Summary – CID is cloud based<ul style="list-style-type: none">○ Personal ID = cloud & device based, synched● Chor Teh (CT) Question: once the Company ID is confirmed and the director has added him/herself to the Company, is there an objective to also show the screening outcome of the director and the company (i.e. PEPs. Sanctions screening) with a green tick?● RH Thanks Chor. We've debated whether to show the PEPS and Sanctions checks to the SME. It's shown in the journey at present as a reference, but we think it would probably take place in the back office of the Co.ID Provider, but shared with a Bank● AF this could be shown, but is just a point in time check, so AML checks need to be done again at the point of any new service provision● AF this model should be able to support CH rules for who can be a director, e.g. a company can have another company as a director● CT Thank you and my concern is the tipping off factor but if we can only show to the FI/Banks then it reduces the risk of tipping off. thank you.

- **David Mcfarlane (DMcF)** Just a thought triggered by Glen's update on mandatory/optional... To help future proof against different bank requirements and changes in compliance, would it be an idea to rename Optional to be Recommended... to avoid circumstances where the data has to be added & verified at the point of an account or product onboarding, avoiding the friction that causes.
- **Penny Dunbabin (PD)** How does a small company verify that one of its suppliers is verified?
- **JH** . . .then the whole overlap between authorised signatories for the banks/ payment, ,and for the CID account, can be rationalised.
- **REF** Also especially re PEP screening, multiple sources/lists are used across the industry so would again need a common and agreed approach if a result was going to be shown in the back-end.
- **NM** A point to emphasise is that if CID implemented in a wallet, the wallet is NOT necessarily a payments wallet. It could be, but initiation of payment and the control of all that is not is scope of what CFIT are exploring.
- **JH** Nick - but control of the flow of money (=payment) and control of the flow of data - conceptually (and mechanically) very simple. I have said this before
- **PD** If a company's website or social media account is hacked, then I assume that the company secretary/directors need to update the company profile asap. Is this correct?
- **AF** these will be separate accounts - and websites/social media accounts are not verifiable yet - the CID profile can reference them, but they are mostly used as background info on what the company does

Decision:	<ul style="list-style-type: none"> • N/A
Actions:	<ul style="list-style-type: none"> • None

Item 4: Open Discussion

Purpose: For discussion

<p>Speaker: Coalition Partners</p>	<p><u>Open Discussion Points:</u></p> <ol style="list-style-type: none"> 1. <i>How do you think the Co.ID should align to EU legislation to allow for cross-border interoperability for data sharing?</i> 2. <i>Does the Coalition see any significant challenges in implementing a Wallet model versus the proposed existing Aggregator model. If so, what are they? How do we overcome these challenges?</i> <ul style="list-style-type: none"> • LI Mandatory Data Sets: Defined with POC partner guidance to meet compliance obligations. • Optional Data Sets: Static list available for SMEs to voluntarily provide additional data. • Incremental Data Sets: Additional layers of data available for FS providers at their discretion. • Incentives for Sharing Extra Data: Suggested benefits include competitive loan rates or expedited onboarding. Emphasis on considering commercial motivations for SMEs to share beyond mandatory data. • Next Steps: Develop these ideas into an MVP, ensuring compliance with data minimisation principles. <p>Wallet and Data Portability Considerations</p>
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- **RH** Raised the need for banking partners' feedback on the relevance and security of a wallet system (mobile vs. cloud-based).
- Requested concerns or specific issues regarding app-based data storage for further exploration.

- **GK** Questions on the scope of background checks and the role of banks in providing lead technology or data portability solutions.
- Mentioned the formation of a working group to address data portability standards.

- **MD** Supported the concept of a corporate ID wallet, citing benefits of a single, secure data package.
- Highlighted concerns over multiple actors in the data journey, liability issues, and the need for regulatory backing to avoid redundant verification.

- **RH** Confirmed plans to test the model with the FCA through the regulatory sandbox to address compliance and legal concerns.
- **AF** Clarified portability as shifting verified data between wallet providers, necessitating additional checks to align with risk profiles.

- **NM** Stressed the need for consistent data formatting across wallets.
- Highlighted challenges with EU-only standardisation and global applicability.

- **Paddy O'Keefe (POK)** Raised concerns about data visibility post-onboarding, particularly regarding AML investigations. Noted potential risks of tipping off bad actors if they can track access to their wallet data.

- **GK** Highlighted the nature of active connections, emphasising they are "live" for the duration of the relationship, though visibility into usage is not provided.
- **POK** Confirmed understanding and expressed gratitude for clarification.

- **RH** Explained that references to PEPs and sanctions checks are for visibility, typically handled in the back office rather than revealed in Company ID tools.
- **POK** Agreed with the approach.

- **RH** Noted the need to stay on schedule and raised two key discussion points:
 1. Alignment of Company ID with EU legislation for cross-border interoperability.
 2. Challenges in implementing a wallet versus the aggregation model.

- **JH** Discussed legal entity identifiers (LEIs) and their role in enabling cross-border data exchange. Highlighted the optional inclusion of verified LEIs (VLEIs) in the Company ID stack.
- **AF** Suggested aligning UK director ID standards with VLEI standards. Raised alternative models for director identification.
- **Xiaodi Wang (XW)** Provided updates on GLEIF's efforts to integrate VLEIs into EU's EIDAS 2.0 framework.

- **MD** Suggested maintaining focus on UK-specific needs for MVP while staying mindful of EU developments for future phases.

	<ul style="list-style-type: none"> • NM Advised caution regarding qualified electronic signatures and their alignment with corporate identity efforts, suggesting these could be future roadmap items. • JH Differentiated between personal wallets (for limited credentials) and account aggregation (broader datasets, better suited to the cloud). • AF Highlighted the importance of data freshness in wallets, particularly for PEPs and sanctions checks. • MD Shared insights on using third-party providers for in-app ID verification for personal accounts and emphasised scrutiny to ensure compliance standards.
<p>Comments (on chat):</p>	<ul style="list-style-type: none"> • Lorraine Salmond (LS) CH will be making changes as part of the ECCA where a Director will have to be a natural person, with new rules around that. I think you are saying that can be accommodated. • PD I don't think this is quite right. The director has to be a natural person OR a corporate director can be allowed if the company providing the corporate director has directors that are all natural persons. Identity verification and authorised corporate service providers (publishing.service.gov.uk) • LS Agreed, with that OR exception. • LH Recognition by other jurisdictions also important - re LEI • DMcF Agree with Mark. for MVP1 we'd be keen to keep things UK only, but appreciate we can keep track of EU alignment in parallel, just don't think we should necessarily strive to achieve it, if there are differences etc.

Decision:	<ul style="list-style-type: none"> • N/A
Actions	<ul style="list-style-type: none"> • None
Item 5: Next Steps/Closing	
Speaker: TL	<ul style="list-style-type: none"> • Teresa Lam (TL) Confirmed the next meeting will be held in two weeks. • Mentioned the importance of exploring use cases beyond onboarding and KYC, potentially at later stages. <p>Next Session (11th December 2024):</p> <ul style="list-style-type: none"> • Presentation on the outcomes and results from the Proof of Concept (POC). • Open discussions on emerging recommendations to address barriers and ensure enablers in the ecosystem. • Introduction of upcoming working groups focusing on: <ul style="list-style-type: none"> ○ Trust and governance frameworks. ○ Commercial models. <p>Key Upcoming Milestones:</p> <ul style="list-style-type: none"> • Interim paper publication. • Finalisation of the blueprint. • March 2025 showcase of the coalition’s work.
Comments	<ul style="list-style-type: none"> • None
Decisions	<ul style="list-style-type: none"> • N/A
Actions	<ul style="list-style-type: none"> • None

Attendees:

Chair/s: Leon Ifayemi (LI) & Rob Haslingden (RH)

Total Attendees: 53

Organisation
CFIT
Bank of England
Cardiff University
CoLC/CFIT
Companies House
CRIF
CTRL - SHFT
Daon
DNB
DSIT
Dun & Bradstreet
Encompass
EY
FDATA

GLEIF
Innovate UK
Leading Point
Lexis Nexis Risk Solutions
Lloyds Banking Group
Mastercard
Moodys
Nationwide
NatWest
OBCconnect
OCDX
One ID
Revolut
Sage
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The Home Office
Tisa
Virgin Money
Visa

Yoti
Zally