Written Submission for the Pre-Budget Consultations in Advance of the 2020 Budget

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Recommendations:
We call on the Federal Government to implement the following recommendations:

1. Commit to co-developing and co-investing in the Pan-Canadian Trust Framework in collaboration with private sector partners, taking the following points into consideration.

2. Champion the importance and uses of digital identity for businesses, health care centres, academic institutions, civil society, and all Canadians.

3. Move with speed, focus and partnership to enable a made-in-Canada Digital ID and Authentication ecosystem of solutions and services, made for Canadians, by Canadians.

About the Digital Identification and Authentication Council of Canada (DIACC)

Following recommendations from the federal government's Task Force for the Payments System Review, leaders from Canada's public and private sectors came together in 2012 to form the Digital Identification and Authentication Council of Canada (DIACC). This non-profit coalition of public and private sector leaders is committed to developing a Canadian digital identification and authentication framework to enable Canada's full and secure participation in the global digital economy.

Canada's Opportunity

Today, Canadians are among the most tech-savvy and digitally [connected](#)[1] people in the world. 89 per cent of Canadians and 98 per cent of businesses are online, and 88 per cent of Canadians use a mobile device. E-commerce sales are flourishing, and 72 per cent of Canadians are [conducting](#)[2] their banking online or through a mobile device.

Despite the high degree of connectivity today, there is a great reliance on [physical documentation](#)[3], which causes unnecessary friction, while also creating opportunities for fraud and identity theft.

There is high demand for more online services, yet there are various critical activities that cannot be conducted online, such as opening a bank account, viewing health care records, or registering to vote. A lack of a trustworthy way to prove one's identity is the main roadblock to these developments. Such activities involve high-value or high-sensitivity transactions, and are currently difficult to conduct digitally. Therein lies the trusted identity problem, and is where digital identity comes into play.

Although our country is recognized as a digital leader on the global stage, Canada lacks a robust digital identification and authentication regime, as well as a unified approach to digital identity.

In the development of the Canadian digital economy, digital identity is crucial. DIACC [estimates](#)[4] that the potential value of trusted digital identity to the Canadian economy is at least 1 per cent of GDP, or CAD $15 billion. From government to health care, commerce, and financial services, the entire economy is impacted. Fortunately for Canada, the challenge is solvable, and we have the tools and the conviction to move forward.

Later, a more comprehensive study by [McKinsey & Co](#)[5] estimated that the impact of solving digital identity as being closer to 3 – 6 per cent of GDP. This is roughly $48 billion - $97 billion of potential growth in the context of Canadian GDP.

Canada has made great strides in recognizing the need for and acting towards the implementation of a pan-Canadian digital strategy that includes and encourages economic growth for all. On May 21, 2019, Canada introduced the Digital Charter, comprised of 10 principles which together will build a foundation of trust for Canadians in the digital sphere. Building ***trust*** among users is critical. In order to trust the system in which they are participating, Canadians need to have an awareness of what their rights are with respect to their data, such as the right to control the

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[1] Canada's Digital Charter in Action: A Plan by Canadians, for Canadians, Government of Canada.
[2] Cybersecurity in the Financial Sector as a National Security Issue – Report of the Standing Committee on Public Safety and National Security, June 2019.
[3] Canada's Digital ID Future – A Federated Approach, Canadian Bankers Association, Spring 2018.
[4] The Economic Impact of Digital Identity in Canada, DIACC, May 2018.
[5] Digital Identification: A Key to Inclusive Growth, McKinsey Global Institute, April 2019.

duration for which their data will be stored. Trust must be mutual - service providers need to know who they are interacting with, digitally.

With scores of recent data breaches (Facebook, Desjardins, Marriott, etc.), there are enhanced concerns surrounding privacy. A recent survey[6] from the Office of the Privacy Commissioner of Canada found the vast majority of Canadians (92 per cent) expressed concern about the protection of their privacy. Nine in 10 Canadians reported concerns about how online information may be used to make decisions about them, regarding a job, an insurance claim or health coverage.

Not just limited to Canada, this is a global phenomenon. Recent research[7] from London, UK-based Goode Intelligence forecasts that digital identity and document verification services will be a US $15 billion dollar a year industry by 2024, growing 20 per cent from 2019. The demand is there - now action must follow suit.

> *"With the information and resources we have, Canada has the opportunity to solve the problem of digital identity and become the model from which the rest of the world can draw inspiration."*
>
> - Rene McIver, Chief of Security and Privacy Officer at SecureKey
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> (Source: Minutes from February 28, 2019 Parliament Meeting)

Digital Identity: The Main Points

Digital identity is integral in making digital services safe, secure, efficient and accessible. Among the benefits are:

Increased Convenience
Online service delivery would mean that users can benefit[8] from 24/7 service availability. This is especially beneficial for those living in remote areas, where access to services is hard to come by. Users would also not need to keep track of multiple usernames and passwords for each of the services they employ. The average person has 92 accounts registered[9] to one email address and, each year must reset a forgotten password for more than 30 of those accounts. A digital identity would simplify the authentication processes, and improve the overall user experience.

Time and Cost Savings
Proving identity is very difficult, often requiring an in-person visit of at least 30 minutes, demanding the time of both the customer and staff. Research from McKinsey Global Institute[10] has noted that, for registration, institutions using high-assurance ID could see up to a 90 per cent cost reduction in customer onboarding, as the time taken to complete these interactions could be reduced from days or weeks to minutes. Through streamlined e-government services enabled by digital identity, 110 billion potential hours could be saved.

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[6] Canadians concerned about privacy online; want more control over their personal information: poll, Officer of the Privacy Commissioner of Canada, May 9, 2019.

[7] Goode forecasts $15B Digital Identity and Document Verification Market by 2024, BiometricUpdate.com, July 19, 2019.

[8] International Telecommunication Union, Digital Identity Roadmap Guide. Creative Commons Attribution 3.0 IGO (CC BY 3.0 IGO), 2018.

[9] The Economic Impact of Digital Identity in Canada, DIACC, May 2018.

[10] Digital Identification: A Key to Inclusive Growth, McKinsey Global Institute, April 2019.

Along with the benefits of digital identity, associated potential risks[11] must be taken into consideration, data security and privacy issues among them. The vast quantity of data poses the possibility of threats from the digital world, such as hacking and data breaches. When transforming services, privacy and security need to be maintained as top priorities, and privacy by design[12] principles must also be incorporated into the development of technologies used by the federal government.

As the quantity of data increases, the dangers surrounding data security grows daily, regardless of any government action being taken. If the government together with private sector and civil society partners, turns attention their attention towards digital identity and establishing appropriate frameworks and structures, they will be able to get ahead of the curve on data protection and minimize these risks.

Examples of Canadian Digital Identity Initiatives:

In May 2019, Canada's five big banks launched the Verified.Me[13] digital identity network, in partnership with SecureKey Technologies. Harnessing blockchain technology, the platform makes it easier for users to provide proof of their identity. A significant time saver, it reduces the need to compile documents or register for new products or services in-person.

In June 2019, The World Economic Forum announced the Known Traveller Digital Identity (KDTI) pilot project[14] - allowing passengers to fly document-free. Rather than identity data being stored on a chip on a passenger's passport, this data is stored on their mobile device. A joint undertaking by the governments of Canada and the Netherlands and several airports and airlines, it is the first global collaboration of its kind.

The BC Services Card[15] is available to all residents of British Columbia. With advanced security features, it enables residents to access provincial government services with just one card. There are now more than 4.6 million cards in circulation since the first BC Services Cards were issued in February 2013. More than 90 per cent of B.C. residents are in possession of a card.[16]

Since [2017] DIACC has been working with government and private sector leaders to develop the Pan-Canadian Trust Framework (PCTF)[17]- the goal of which is to support the development of a digital identity ecosystem that affords trust and confidence for Canadians and the service providers with which they digitally interact.

The development of the PCTF is collaborative across governments and other partners and takes a fully transparent approach. This Canada-first approach is a strong example of leadership in digital identity, as well as collaboration between various parties.

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[11] International Telecommunication Union, Digital Identity Roadmap Guide. Creative Commons Attribution 3.0 IGO (CC BY 3.0 IGO).
[12] Privacy and Digital Government Services – Report of the Standing Committee on Access to Information, Privacy and Ethics, House of Commons, June 2019.
[13] Verified.Me 101 – Introducing Verified.Me, SecureKey, May 1, 2019.
[14] Known Traveller Digital Identity Website.
[15] BC Services Card, BC Government Website.
[16] DIACC, Identity in Action Case Study: BC Services Card. March 5, 2019.
[17] Pan Canadian Trust Framework Model 4 Overview Discussion Draft Version 0.02, DIACC.

Collaboration is Key

As the digital economy develops, Canada's public and private sector institutions must work together to develop strategies and frameworks that protect and promote Canadian values and perspectives. It is essential to have government collaboration with the private sector through an integrated and trustworthy solution that enables all Canadians to interact efficiently.

DIACC is unique as a Canadian organization that takes a pan-Canadian approach, and benefits strongly from collaboration from members[18] including representatives from both the federal and provincial levels of government as well as private sector leaders.

In a digital identity system, interoperability is also important - digital identities must work[19] between service providers, economic sectors, levels of government, and jurisdictions. This means that individuals must be able to use and manage information about themselves in multiple contexts.

Canada has the opportunity to lead by example - let's continue the momentum and position our country as a leader in the Global Digital Economy.

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[18] DIACC Membership Listing, Website.
[19] Pan Canadian Trust Framework Model 4 Overview Discussion Draft Version 0.02.