



**Written Submission for the Pre-Budget Consultations  
in Advance of the Upcoming Federal Budget**

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**Recommendations:**

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

1. Secure adoption of the [Pan-Canadian Trust Framework](#) by businesses and governments to ensure Canadians are well-protected and supported post-pandemic.
2. Work with provincial and territorial partners along with Citizenship and Immigration Canada to ensure that all Canadians have access to an ISO compliant government-issued digital ID credential with economy-wide utility by December 31, 2021.
3. Have digital identity and authentication efforts co-led by the Minister of Digital Government and the Minister of Innovation, Science, and Industry to ensure that both government service delivery and economic prosperity requirements are met.
4. Prioritize the funding and integration of digital ID as part of the [Digital Technology Supercluster](#) Initiative.
5. Champion and educate on the crucial role of digital identity for businesses, health care centres, academic institutions, civil society, and all Canadians.

Today, as our world is grappling with the COVID-19 pandemic, and as the government is thinking about how to restart the economy safely, the importance of digital ID is urgently re-emphasized. As “normal” continues to change daily, now is the time to come together to invest in digital identity to ensure our national security and grow our digital economy.

***“It’s up to all of us to ensure no Canadian is left behind. Required digital transformation can’t be tackled by one department, team, or organization alone.”***

- The Honourable Joyce Murray, Minister of Digital Government

(Source: IdentityNORTH Summit, June 2020)

## **The Pan-Canadian Trust Framework™ (PCTF) - Connecting Canadians Securely**

Launched in August 2016, [the Pan-Canadian Trust Framework™ \(PCTF\)](#)<sup>1</sup> serves as the framework that works to instil trust and confidence for Canadians and its service providers around digital identity through a federated approach.

The PCTF was developed through collaboration between the DIACC and the Pan-Canadian Identity Management Sub-Committee (IMSC) of the Joint Councils of Canada, a forum consisting of the Public Sector Chief Information Officer Council (PSCIOC) and the Public Sector Service Delivery Council (PSSDC).

Canada’s full participation in the digital transformation of the global digital economy depends on developing reliable, secure, scalable, privacy-enhancing, and convenient solutions for digital identity. Made-for-Canada solutions reflect and incorporate Canadian principles, business interests, technical models, and demonstrate compliance with Canadian regulations. They also enable paths to safe and secure cross-border transactions and service delivery.

The adoption of the PCTF demonstrates a multi-sector commitment to work together and establish trusted digital identities within their respective jurisdictions, but moreover, enable the [development of an adaptable infrastructure](#)<sup>2</sup> that will make the Canadian ecosystem more resilient to future crises.

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<sup>1</sup> The Pan-Canadian Trust Framework, DIACC, August 11, 2016.

<sup>2</sup> Abraham, Sunil. *Building Trust in the Time of COVID-19: Lessons from Canada*, Observer Research Foundation, June 2020.

## Canadians Shift to Digital Services

Canada experienced a [massive online behavioural shift](#)<sup>3</sup> in March as consumption of digital services grew drastically. The uncertainty of lockdown measures, paired with the decision to shut down most offices left governments scrambling to shift paper-based services online. This shift to digital required a way to authenticate transactions remotely while securely transferring sensitive information through digital channels - something many organizations were not prepared to provide.

The pandemic has accelerated digital transformation out of necessity. People need to work efficiently from home, governments need to provide essential services and relief measures to support society, health care providers need to see patients safely, and educators need to help our children learn despite the difficult environment. All of these critical services can be provided safely and efficiently by leveraging digital ID.

## A Remote Working Solution

Establishing secure connections and maintaining data privacy remain critical concerns for Canadian businesses as their employers shift to remote work. A recent [survey](#) from the Office of the Privacy Commissioner of Canada found that 92 per cent of Canadians expressed concern about the protection of their privacy. The shift online to conduct important transactions and access services such as banking, education, and e-commerce purchases mean that Canadians need a secure and safe environment to transact, for both business and personal needs. An established and secure digital ID enables organizations to streamline and secure their operations, serving to benefit many aspects of a company's business, while also allowing employers to keep more Canadians at work as we recover.

## Cost Savings

The shortcomings of Canada's current progress in digital identity put individuals and businesses at risk, hindering the growth of the digital economy, and the economy as a whole. Especially as the pandemic shifts into a recovery stage, digital identity can play a role in future stability and sustainability.

The DIACC [estimates](#)<sup>4</sup> that the potential value trusted digital identity could bring to the Canadian economy is at least 1 per cent of Canada's GDP, or over \$15 billion. Canada's

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<sup>3</sup> Segal, Bryan. *The Coronavirus Pandemic's Relationship to Online Behavioral Shifts in Canada*, Comscore, April 1, 2020.

<sup>4</sup> The Economic Impact of Digital Identity in Canada, DIACC, May 2018.

major banks have already [invested \\$27 million](#)<sup>5</sup> to develop an inclusive identity and attribute-sharing ecosystem. For those participating banks, there is the potential to [enable net savings per institution at or above \\$100 million per year](#)<sup>6</sup> through operational efficiencies by reducing processing costs and fraud. Other sectors have the potential for similar net savings if not more, just by addressing existing inefficiencies.

### **Building Trust: Protecting Canadian Privacy**

One of the ripple effects of the pandemic was an increase in digital fraud. [Google blocked an average of 18 million emails per day](#)<sup>7</sup> in April 2020, as fraudsters took advantage of the health crisis to increase phishing activities aimed at identity theft and account takeovers.

Trust is critical to a successful digital economy. For Canadian businesses and citizens to move online with confidence, online trust needs to be established, and it can only be done if Canadians have the means to protect themselves and their identity from digital attacks. Privacy and security need to be [maintained as top priorities](#)<sup>8</sup>, and privacy by design principles must also be incorporated into the development of technologies used by the federal government.

This trust will be built both through excellence in execution and by educating Canadians on the crucial role that digital ID plays for businesses, health care centres, academic institutions, civil society, and all Canadians.

### **Connecting Canadians from Coast-to-Coast-to-Coast**

Across the country, we see the political will to [embrace digital identity and the Pan-Canadian Trust Framework \(PCTF\)](#). This will is what is needed to help open the digital economy and set the standards for acceptance among the many participants at all levels.

In June 2020, Quebec became the first province to formally announce a five-year multi-million dollar project to [create a blockchain-based digital ID and “wallet”](#)<sup>9</sup> for every

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<sup>5</sup> Ligaya, Armina. *Canada's big banks testing Toronto-based digital identity network powered by blockchain*, FinancialPost.com, March 20, 2017.

<sup>6</sup> Why Canada Needs a Digital ID Framework, DIACC, April 27, 2020.

<sup>7</sup> Sonnemaker, Tyler. *Google blocked an average of 18 million daily malicious coronavirus messages to Gmail users in the past week as hackers try to capitalize on fear and less secure remote-work setups*, BusinessInsider.com, April 16, 2020.

<sup>8</sup> Privacy and Digital Government Services – Report of the Standing Committee on Access to Information, Privacy and Ethics, House of Commons, June 2019.

<sup>9</sup> Nardi, Christopher. *'Don't waste a good crisis': Experts push governments to create digital ID programs in wake of COVID-19*, NationalPost.com, June 25, 2020.

Quebecer. The combination of the pandemic and the [massive data breach at Desjardins](#)<sup>10</sup>, affecting over 4.2 million people last year, motivated Quebec to become a champion for digital ID.

British Columbia (BC) now has over [4.7 million registered BC Digital Services Card](#)<sup>11</sup> users. British Columbians, including health professionals, businesses, government employees, and students, can use their BC Services Card to access 17 government services online with plans underway to bring more on board.

Ontario has created the [Ontario Digital Service](#)<sup>12</sup> and introduced new legislation to support the adoption of new digital practices and technologies that will [deliver simpler, faster, better services](#)<sup>13</sup> to Ontarians.

The Government of New Brunswick is working on a Trusted Digital ID solution called [MyID](#)<sup>14</sup>, to enable New Brunswickers to access government services and interact with businesses online, while allowing you the peace of mind of knowing that your personal information is completely secure. Likewise, Saskatchewan rolled out a new framework on [Saskatchewan.ca](#)<sup>15</sup> enabling citizens to access all government services and their profile information in one place.

From coast-to-coast-to-coast Canada's provinces and territories are embracing the opportunities and benefits of digital ID as an enabler of government services and economic growth. By prioritizing interoperability across Canada, we can set an equal playing field for everyone in the digital economy.

### **Digital Identity Initiatives During the Pandemic**

Canadians saw first hand the benefits of digital ID to access direct government relief payments. In the first few weeks of the pandemic, [millions of Canadians registered](#)<sup>16</sup> to use digital authentication platforms like Concierge from [SecureKey Technologies](#)<sup>17</sup> and

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<sup>10</sup> MacFarlane, John. *4.2 million Desjardins members affected by data breach, credit union now says*, CBC.ca, November 1, 2019.

<sup>11</sup> Service BC goes digital with video identity verification, BC Government Website, July, 7, 2020.

<sup>12</sup> Ontario Digital Service, Ontario Government Website.

<sup>13</sup> Simpler, Faster, Better Services Act, Ontario Government Website.

<sup>14</sup> New Brunswick Digital ID, New Brunswick Government Website.

<sup>15</sup> Investing in Online Government Services to Save You Time and Money, Saskatchewan Government Website.

<sup>16</sup> Bruder, Madeleine. *Coronavirus lockdown spurs widespread adoption of digital ID tech in Canada*, WorldsNewsEra.com, July 2020.

<sup>17</sup> Ibid.

GCKey from [2Keys](#)<sup>18</sup> to access government support programs. Having the tool meant that the government, working with a consortium of Canadian financial institutions, was able to process [more than 800 government aid transactions a second](#)<sup>19</sup> during the pandemic. 2Keys, which was acquired by Interac in 2019, also saw [one million new users and a 549 per cent increase](#)<sup>20</sup> in total logins in April 2020 for Employment Insurance and state pension benefits via their service.

### **The Renewed Priorities for Digital Identity**

As we consider a plan to build Canada back better and reignite our economy, digital ID must play a role within our digital services. This will require working with provincial and territorial partners along with Citizenship and Immigration Canada to ensure that all Canadians have access to a government-issued digital ID credential with economy-wide utility by December 31, 2021.

We recognize that digital transformation and leadership touches on many areas of government and is critical to achieving the government's economic and social agenda. This is why the DIACC recommends that digital identity and authentication are prioritized and co-led by the Minister of Digital Government and the Minister of Innovation, Science, and Industry to ensure that both government service delivery and economic prosperity requirements are met.

### **Post-Pandemic Digital Society**

The pandemic shows us that transactions need to evolve beyond face-to-face if we are to overcome future crises. Disbursing Canadian government aid is just the start. Remote identity verification can transform government, health services, retail, education, financial services, legal services, with all sectors benefitting from having proper digital channel management and digital identity authentication in place.

Canada's [Digital Charter](#)<sup>21</sup> and the [Digital Technology Supercluster Initiative](#)<sup>22</sup> demonstrate Canada's commitment to digital innovation and to leveraging digital technologies to keep the country economically resilient, globally competitive, interconnected coast-to-coast, and above all, safe. As the backbone of the digital

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<sup>18</sup> Ibid.

<sup>19</sup> *SecureKey Verified.Me system managing 800 authentication transactions per second during pandemic*, SecureIDNews.com, May 28, 2020.

<sup>20</sup> Ibid.

<sup>21</sup> Canada's Digital Charter: Trust in a digital world, Government of Canada Website.

<sup>22</sup> Digital Technology Supercluster builds momentum with 14 new projects, Government of Canada Website, January 16, 2020.

economy, digital ID must be an integral part of the digital supercluster - and can position Canada as a global leader in digital.

The crisis has undoubtedly pushed and accelerated Canadians' demand for digital life, revealing major pain points that exist in the attempt to support Canadians as they function in isolated, remote situations. With more than [70 per cent of Canadians](#)<sup>23</sup> wanting to see the government and private sector collaborate on a joint digital identity framework in Canada, now is the time to work together on digital transformation to ease digital ID access.

The PCTF provides clear guidelines on digital interoperability in a time when building trust and collaboration in our country is paramount. We know digital transformation and innovation need to happen; however, prioritizing clarity and standards now, before the digital divide widens, can help mitigate risks and strengthen our progress.

Founded by DIACC and In-Sec-M, a Canadian leader in cybersecurity, with support from several public and private partners, the launch of the [national digital identity laboratory \('The Lab'\)](#)<sup>24</sup> February 2020 was an important step in our digital journey. The Lab is Canada's first independent and neutral organization to promote the compliance of and interoperability between digital ID solutions across public and private sectors in alignment with the PCTF.

DIACC members are committed to working in partnership with the Government of Canada and all levels of government to secure a pan-Canadian digital safety net of socioeconomic inclusion, prosperity, and economic growth – a commitment and vision that is needed now more than ever.

### **About the Digital ID & 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](#))<sup>25</sup>. 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.*

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<sup>23</sup> Canadians are Ready to Embrace Digital Identity, DIACC, October 15, 2019.

<sup>24</sup> *Digital ID Lab Announces Successful Closure of Several Public and Private Grants*, BusinessWire.com, July 14, 2020.

<sup>25</sup> DIACC, Website.



*As a community, [DIACC members](#) work collaboratively to enable and support digital identity solutions that work for all Canadians. These public and private sector solutions and services have already proven to be a critical investment as the capabilities that these solutions and services enable have helped Canada to successfully deliver urgently needed benefits related to COVID-19 – emergency wage subsidies, virtual health care, digital learning and so much more.*