



# Digital Identity Wallets for SMEs



# Global Trust Foundation

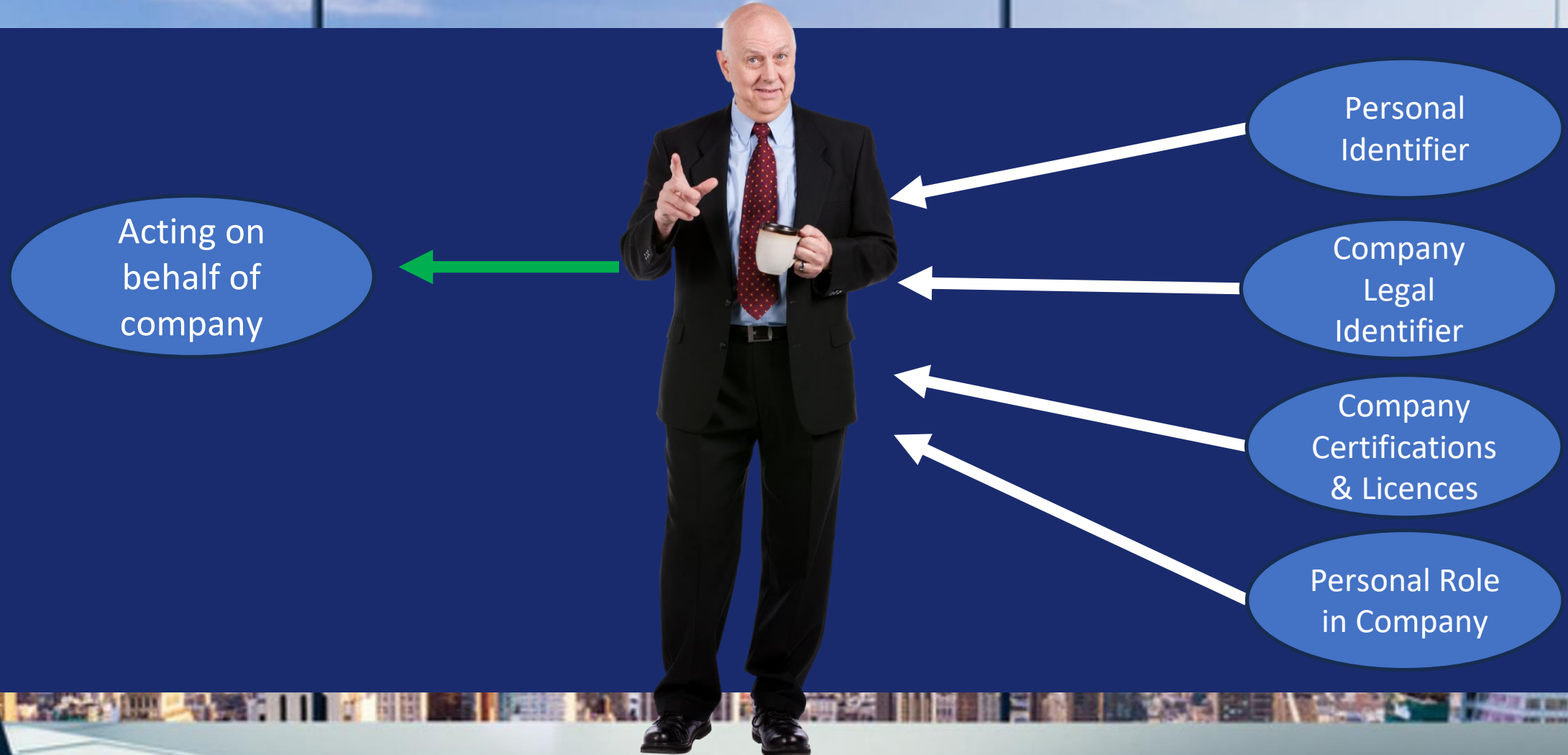
"Solving Complex Issues - Simply"

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[www.globaltrustfoundation.org](http://www.globaltrustfoundation.org)

# Requirements for an Organisational Wallet – (Natural Legal Person)



# What is the benefit of Natural Legal Person Digital Wallet?

Most corporate actions require the signature or action of a natural legal person as well as other company information on contracts or agreements

- Validating role of employee: Digital Identity Wallets for Natural Legal Persons demonstrates the individual's role on behalf of the company and is acting as a company representative
- Identification and authenticity of the company: Ensuring that company is verified and background details (such as ownership, status, registrations, licenses) are consistent. These are typically provided by GLEIF who provide the Legal Entity Identifier (LEI) and other sectorial certification bodies

# How can Digital Identity Wallets be used - platform onboarding? - 1

## For the Company:

- Legal Person Digital Identity Wallets enable the simple and controlled transfer of relevant details to enable the compliance with regulations and service conditions
- Trustworthy records become portable, improving efficiency and speed when supporting applications or transactions. Records that can be presented can include:
  - Licenses / Permits
  - Certifications
  - Tax Documentation
- For financial or trading platforms, KYC and AML documentation can be included within the Digital Wallet.

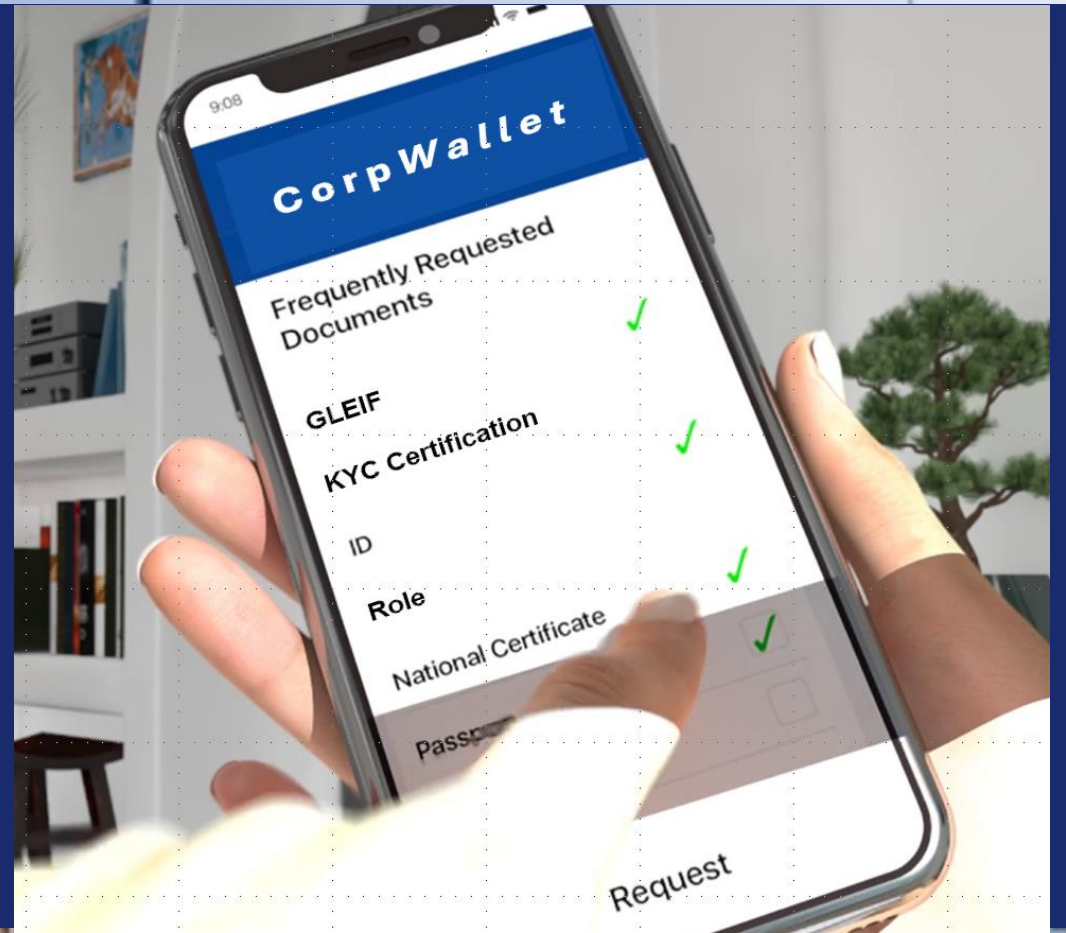
# How can Digital Identity Wallets be used - platform onboarding? - 2

## For the Platform:

- Legal Person Digital Identity Wallets enable the simple and controlled transfer of relevant verified details to enable the compliance with regulations and service conditions. This leads to fast customer onboarding and automated action, together with *reduction of risk*.
- Trustworthy records such as LEIs are instantly available, having been pre-prepared, and expiry dates can be utilised in the process to enable timely requests for updates when required.
- For financial or trading platforms, KYC and AML documentation can be included within the Digital Wallet, examined and verified as required.

# Digital Identity Wallets Verifiable Credentials

- Digital Identity Wallets can hold verifiable credentials from many sources
- Each verifiable credential is digitally signed by the issuer to ensure validity and restrict lifecycle
- They can be used and forwarded as required, and also partially forwarded to prevent showing private information



# Organisation Use-Case – 1: Onboarding to a Financial Platform

- The Finance Director of an SME wishes to take advantage of an international trading platform to obtain finance for its shipment container of machine tools to be sold at the destination
- The trading platform requires KYC certification to comply with its finance house requirements and to obtain risk insurance for the transaction
  - The SME needs to provide proof of company validity, its tax status and other corporate details including KYC certification
- All the information, which is already verified and signed by issuers is held in the Director's Organisational Digital Wallet and is immediately available to the platform, together with the Director's digital signature, thus making onboarding virtually instantaneous, rather than waiting days for the various certificates to be provided, thus saving time and effort



# Organisation Use-Case – 2: Environmental Compliance Inspection

- A small company is constructing a new waste-water channel to reduce flooding
- The plans for construction require careful consideration of wildlife and fauna and planning authority approvals and in particular demonstration of that consideration
- Subject to frequent modification and therefore updates to certification, plans and licenses as well as up-to-date training qualifications for workers are held on the site manager's Digital Identity Wallet, ready to be presented to inspectors either onsite or on-line.
- Inspectors can also provide digital signed documents to confirm issuance of Non-Compliance Reports (NCRs).

## Organisation Use-Case – 3: Business-2-Business trading

- Two small companies wish to transact and require a specific contract (with sets of terms) between them to comply with regulations.
- A workflow can be established between both parties determining the timelines of the actions so that the contract can be fulfilled and the transaction take place showing permits, licences and paying monies. Completion can also be recorded with appropriate triggers
- Use of a workflow generator, such as “Expand My Wallet” will enable the least computer capable company to generate and incorporate the workflow. The digital signing of the contract within the wallet process enables consistently fast and versatile trading even encompassing multiple parties within the transaction

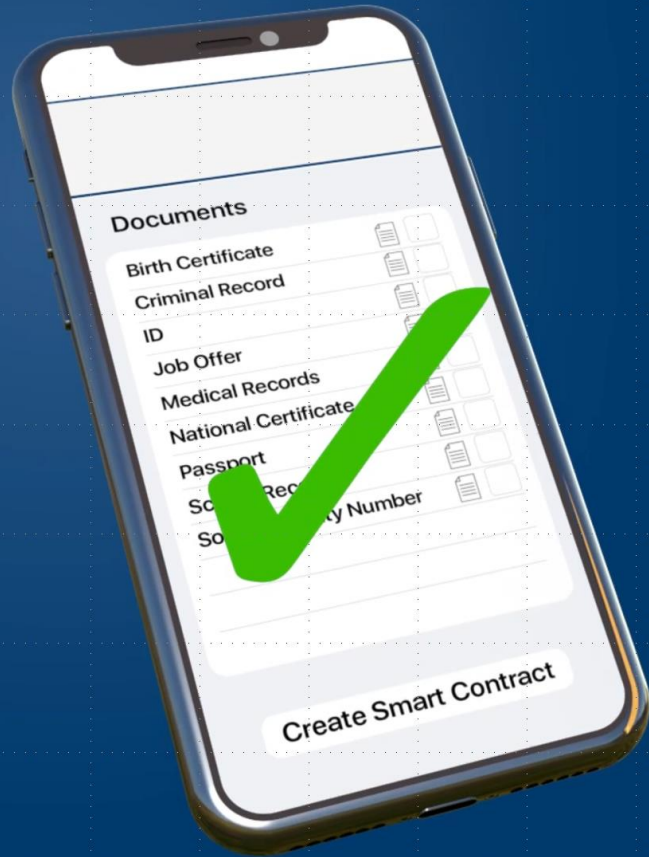
# Issues to Consider - 1

- Resilience of records
  - Data curation: Copies of all critical data must be maintained for legal purposes and compliance
  - Links to store large volumes of data, say for plans or multiple detailed images could be used when it is impractical to be kept in the wallet
- Semantic and ontology issues
  - A standardised language will be needed. (This may already be partially available in a domain, especially in multiple jurisdictions or across multiple agencies). This is a must to avoid misinterpretations

# Issues to Consider - 3

Risk / Issue	
Governance	A recognised set of rules need to be agreed globally regarding liabilities and local compliance, as well as recognised practitioner qualifications etc
Semantics	Agreed semantics to avoid misunderstandings
Language	Agreed libraries to ensure translations are consistent .
Recognition -	Quality standards should be universalised. ie LOA3 (high) for identity and signatures
Intention – Clarity of understanding	Clearly explained to the counterparties
Technical interoperability acting as a bridge between wallet services	Interchange of credentials between wallets should be considered essential
Consideration of Non–Natural Person Wallets	For use by organisations to countersign results, A.I.s and test equipment

# Digital Identity Wallets are the Legal Alternative to Paper



## Summary

The use of Digital Identity Wallets in business will drive the transformation of fast transactions between multiple SMEs to create a globally holistic and consistent approach to increasingly more complex b-2-b transactions



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