

*Trusted Identities
That Drive
Global Commerce*



Corporate Authentication: The Trust Network & Implementing Electronic Account Management (eBAM) Today

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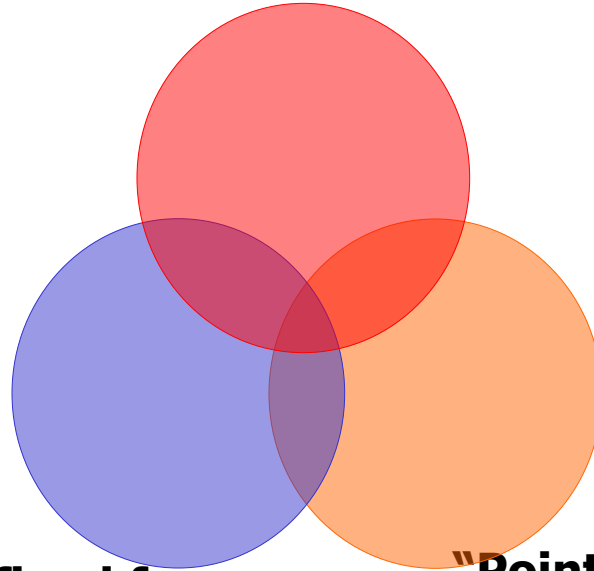


Agenda –eID's, Authentication et alia

- eID- The Context of a worldwide Trust Network
- Key requirements for the creation of an eBAM market using the TN
- What is available today
- How do banks decide
- Taking advantage of the technology developments

Electronic Identities- It's a jungle out there..... ..

Solutions defined by nation-state boundaries

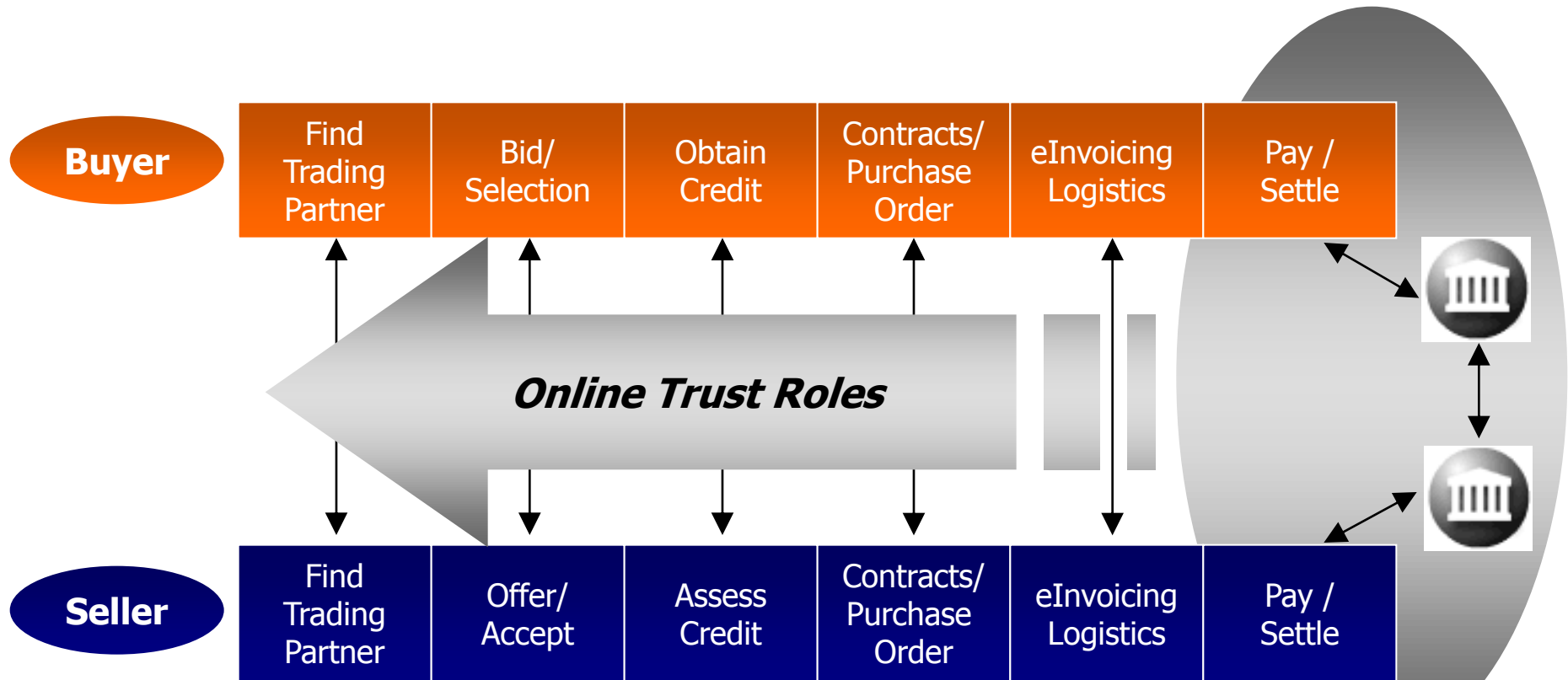


**Solutions defined for
Industry verticals
(e.g. Pharma, Aerospace,)**

**"Point" solutions defined
by a product/application?
(e.g. Funds Transfer Only
eInvoicing only
or Logistics only)**

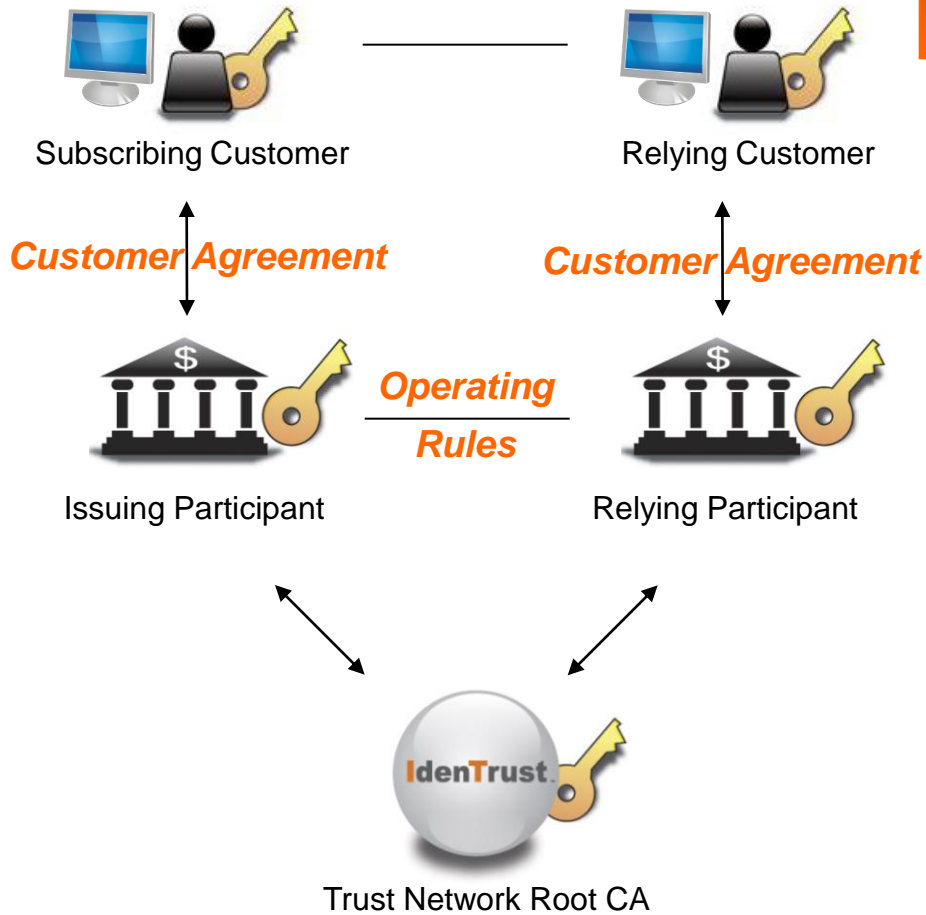
**Or a bank centric scheme approach which
can cover the convergence of all 3 circles...**

Why is eID & Trust of significant interest to Business, to Governments ... and to Banks ?



Banks Traditional Trust Role- BUT "transaction banking" alone is not enough.....

Creation via "Regulated FI's" of an interoperable Trust Network- where the legal framework is the Bedrock



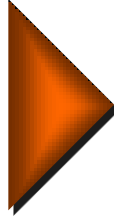
Global Legal Interoperability is possible only in a Contractual System governing ...

- **Liability and Recourse Among All Parties**
 - Operating Rules bind all players
 - Customer Agreements bind customers to contractual liability limitations
- **Legal Recognition of Digital Signatures**
- **Contract Formation Electronically**
 - Signed OCSP validation assures every Relying Party is bound to a customer agreement
 - Legal effect of digital signatures authenticated by validated certificates provided by contract, globally
- **Dispute Resolution over Signature Validity**
 - Dispute Resolution Procedures provide private forum (London Court of Arbitrage)
- **Technical Standards**
 - Ensures compatibility across the Network
 - Reduces cost through vendor competition for standard component elements

These Bank-issued eIdentities fulfill 3 capabilities

In the area of...

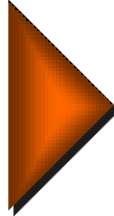
1. *Authentication*



They ...

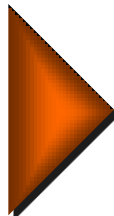
- Prove and establish identity
- Deliver non-repudiation
- Combat fraud

2. *Encryption*



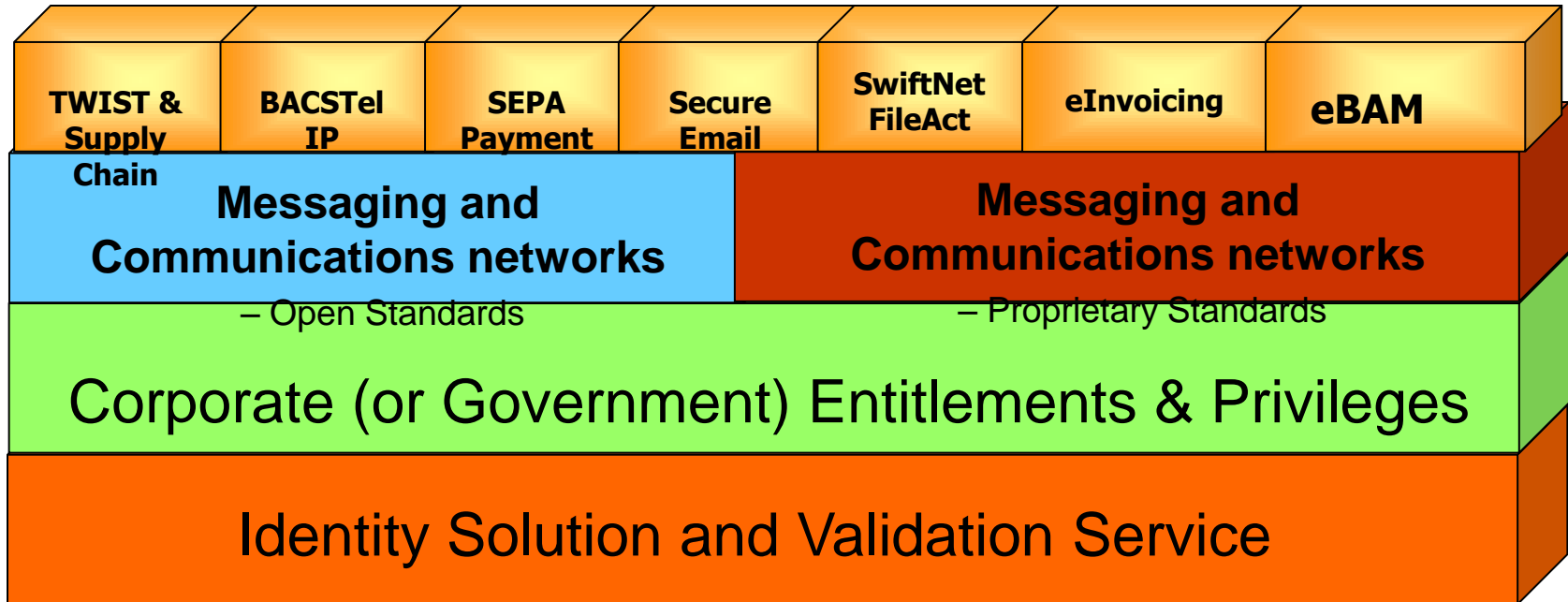
- Safeguard content
- Prevent alteration/misuse
- Ensure document and data integrity for electronic documents and forms

3. *Electronic Signing*



- Replace 'wet' signatures
- Provide user-level signatures
- Create legally binding contracts

The underlying TN serves as a multi-use identity and validation layer



- Lower cost of ownership and economies of scale are achieved through spreading fixed costs across a larger volume of certificates- Multipurpose certificates have a greater value than single use certificates
- Improved customer experience through the use of standard authentication methods across the enterprise and interoperability of certificates both internal and external from the enterprise, and future proofing your investment by building a solution that satisfies future customer supply chain requirements

'Security By Design' – end-users bring the applications, the rest is **IdenTrust**™

WE PUT THE TRUST IN IDENTITY

Certificate Management System



Single CMS interface ...

Certificate Authority



... accessing multiple CA's ...

Fulfilment Capability



... identities on any form-factor ...

End Users



... issued to your end users ...

Applications

Your applications ...



Industry applications ...



IdenTrust applications ...



... for use with multiple applications globally

Customer Proposition – true interoperability

Historic parallels – electricity voltages, railroad gauges

Secure email	ERP	eInvoicing & Trade Mgmt	Country Scheme e.g. CNIPA (Italy)	BACSTEL-iP (UK)	Electronic Banking	Other Applications
An integrated Identity Solution						

Single vs. Multiple Platforms

Interoperable vs. 'Point' Solution

Single vs. Multiple Tokens

Cross-border vs. solely Local solution

VS.

FileAct	ERP	eInvoicing & Trade Mgmt	Country Scheme e.g. CNIPA (Italy)	BACSTEL-iP (UK)	Electronic Banking
Identity Solution 1	Identity Solution 2	Identity Solution 3	Identity Solution 4	Identity Solution 5	Identity Solution 6

High vs. Lower RoI

A utility. High vs. Low Scalability

... Apps are usable independently or as part of a broader interconnected Supply Chain structure



I denTrust TN – Identity – Validation – Liability Management
Globally interoperable – Legally enforceable

❖ Applications

- Enabling corporates to initiate eBAM requests online and manage workflows
- Providing corporate ↔ bank communication mechanisms to allow STP

❖ Standards

- For eBAM ... to ensure organisation interoperability and consistency
- For Digital Signatures ... to provide true non-repudiation, alignment with regulatory requirements and a legal framework to allow for process dematerialisation
- Allowing banks the ability to re-engineer the back office, once

❖ Initial Supply and Demand

- From banks who want to supply such services
- From corporates who wish to avail of such services

❖ Foresight

- From regulators and banks to accept that the status quo can be changed

So ... how are we doing today?

❖ Applications

- Bank front end applications – service offered today by some pioneering FIs, others have expressed intent to follow suit
- Corporate applications – historically built in-house, specialist 3rd party applications now available, extensions of Treasury Workstation products likely
- IdeaTrust Trust Prime – a ‘hub’ for corporates and banks available today
- Bank back end applications – communications management available today

❖ Standards

- PDF as the de facto form interface that users understand
- ISO eBAM Standard due for release in Q1
- Trust Network Scheme for digital signatures in place for 10 years

❖ Initial Supply and Demand

- Banks – industry consensus of need to address the eBAM challenge and collaborate on aspects that are non-competitive
- Corporates – existing proof points, mounting demand

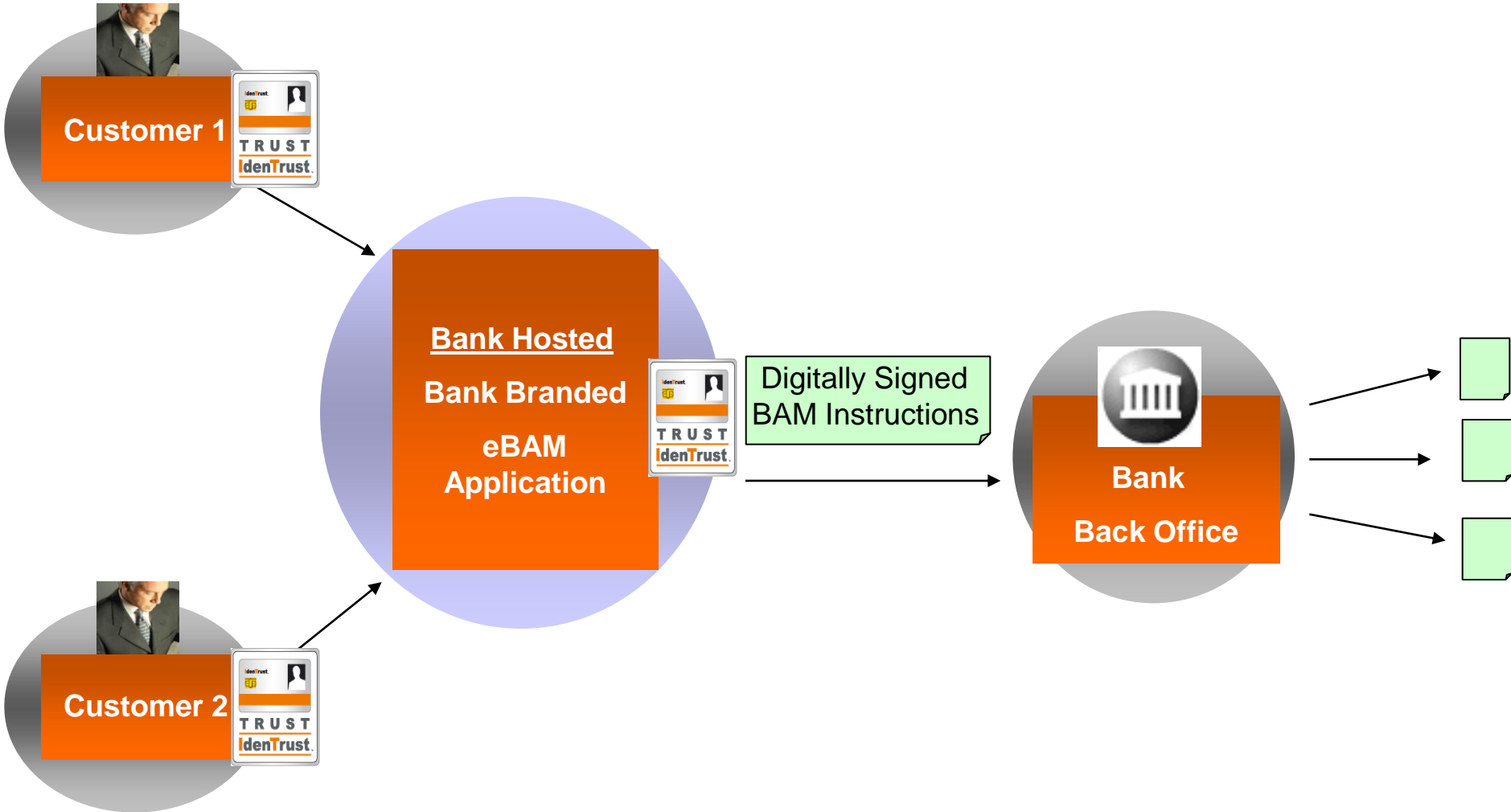
❖ Foresight

- Growing ... start where it's easiest

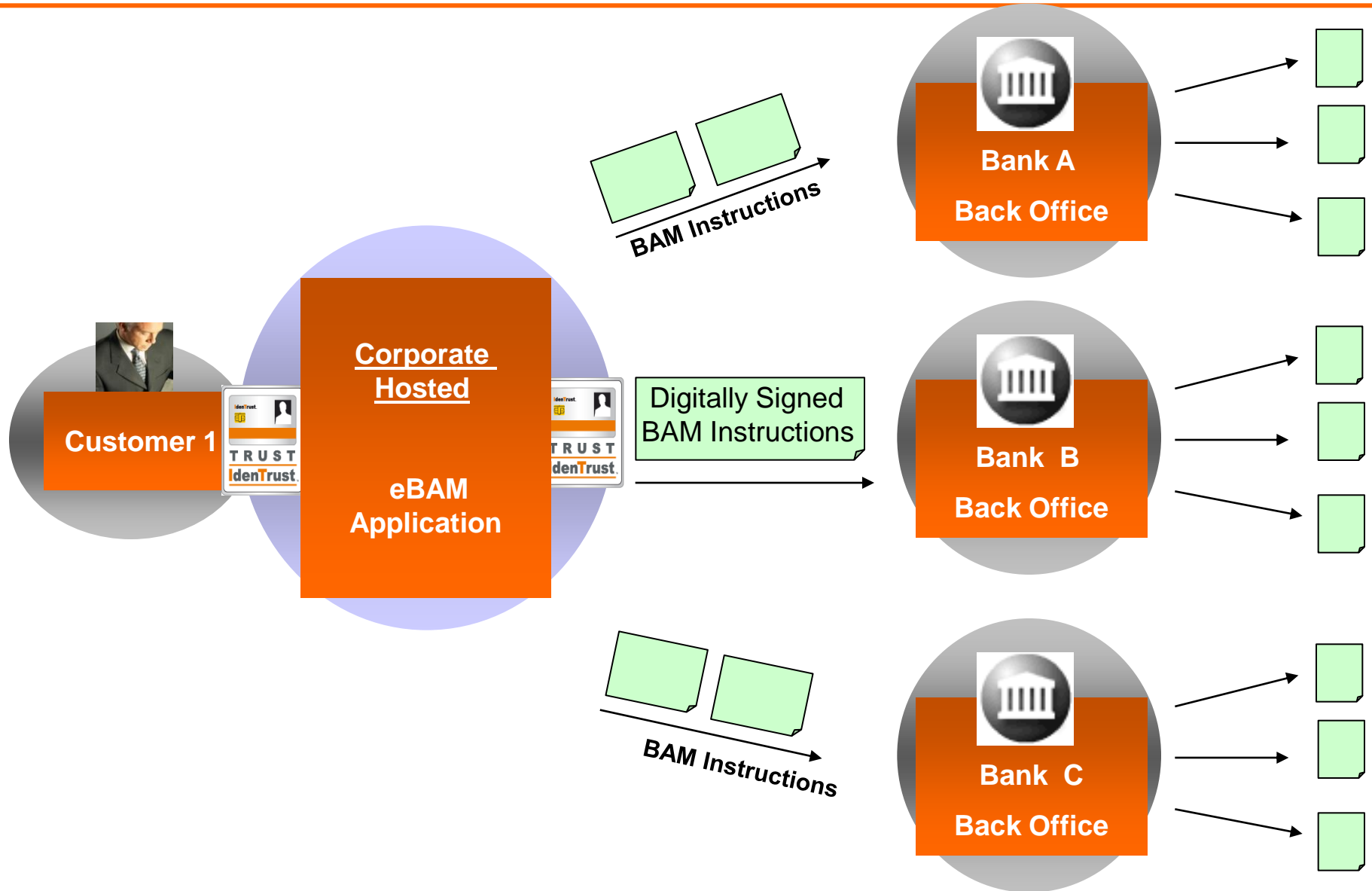
eBAM “flavours” – different scenarios for different circumstances

- ❖ **Option 1:** the corporate connects to their bank through a single, proprietary bank-owned and bank-hosted system
- ❖ **Option 2:** the corporate develops or acquires a system that it runs and hosts and manages the connections to its banks
- ❖ **Option 3:** corporates and banks leverage a common hub to provide full interoperability

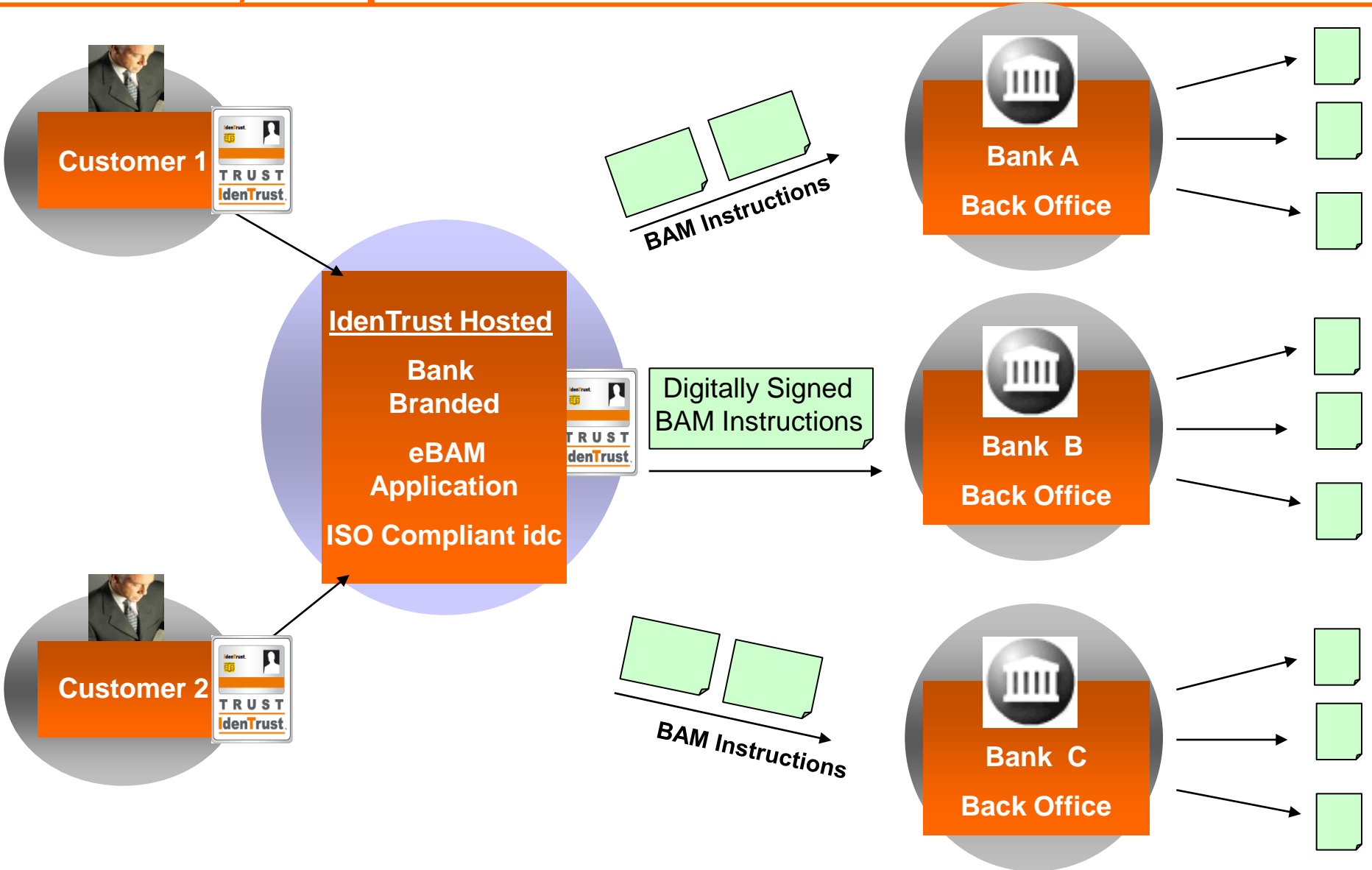
Option 1: Multiple customers – single bank



Option 2: Single customer system – multiple banks



Option 3: IdenTrust-hosted central hub – multiple customers, multiple banks



Today's reality

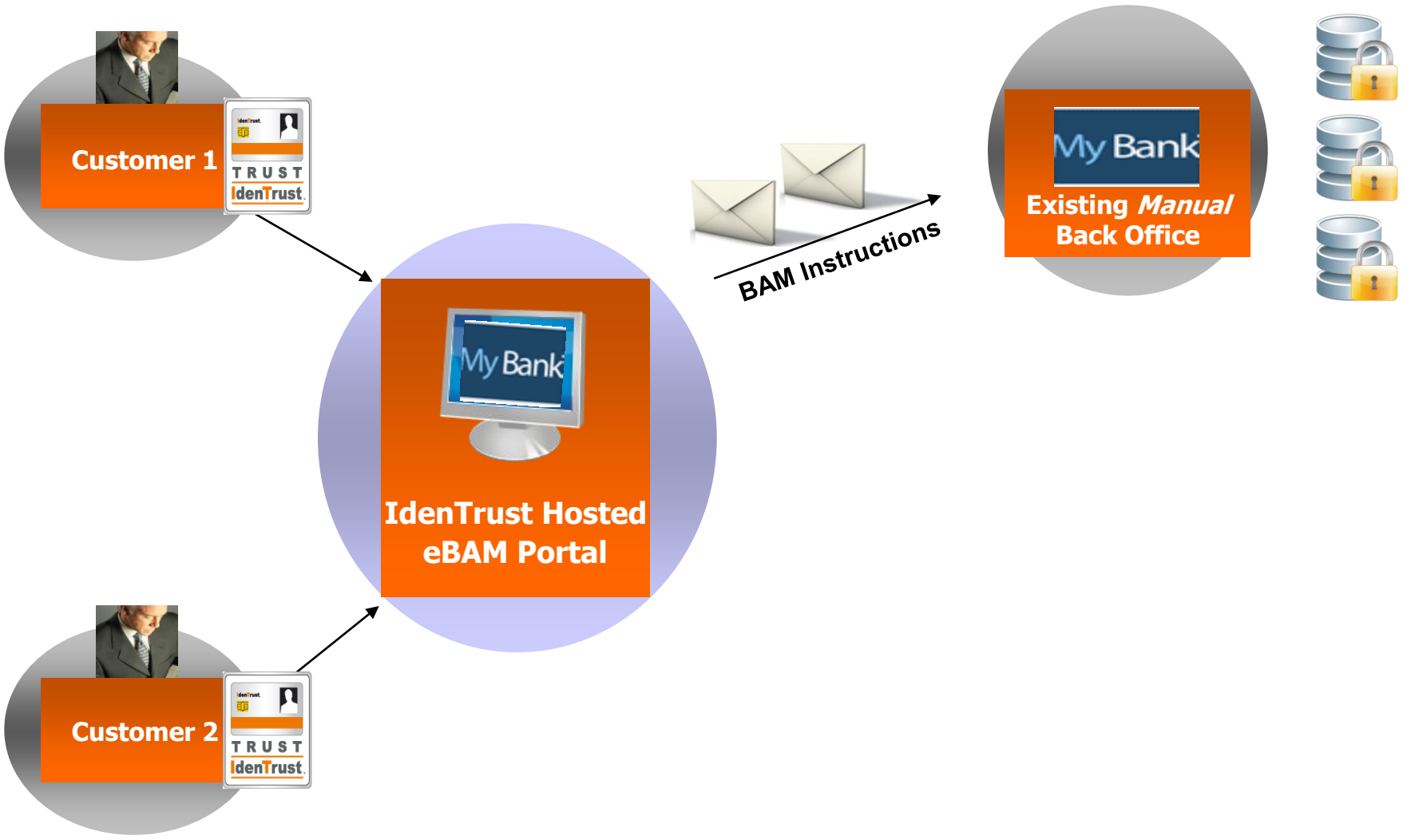
- ❖ **Option 1** – *bank developed, bank hosted*
 - Need to consider budget and timescales for delivery for those starting today
 - Most viable option for corporates who are mono-banked
 - Some banks may have to play 'catch up' with those who have already deployed

- ❖ **Option 2** – *corporate hosted*
 - Will be a requirement for some major corporates
 - Viable option for corporates who want a bank-independent solution
 - Standards are essential so that banks can accommodate this scenario without need for 'special' processes

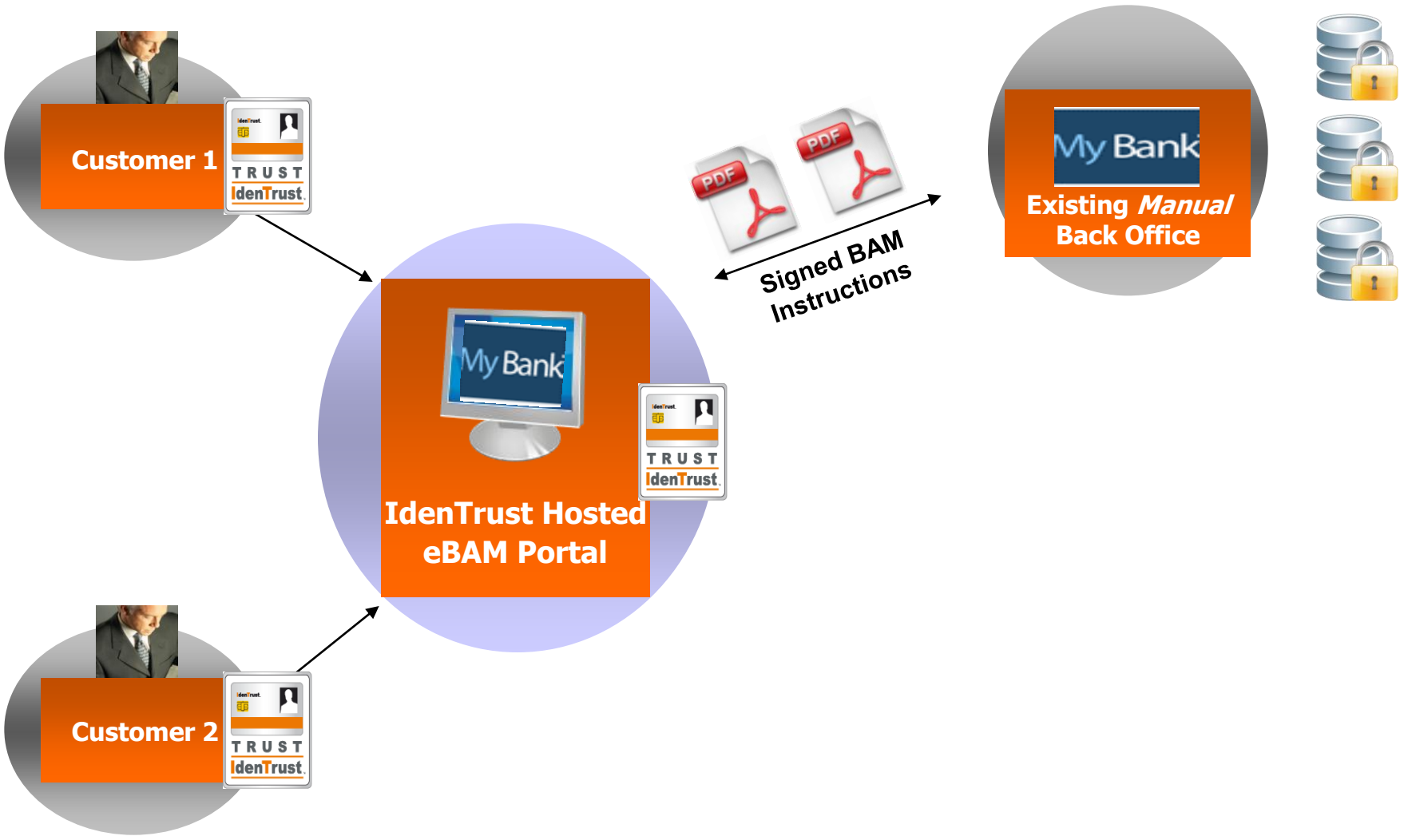
- ❖ **Option 3** – *hub model*
 - Being implemented today by banks and corporates requiring rapid speed of deployment
 - Typically more cost effective
 - Appropriate for multi-corporate, multi-bank scenarios
 - Can provide the connection between existing Bank and Corporate systems
 - Can provide the customer front end for Banks who have built back end processing systems
 - Can be implemented in phases – does not require a big-bang approach

- ❖ All require a legally binding electronic signature to replace today's 'pen and paper processes'

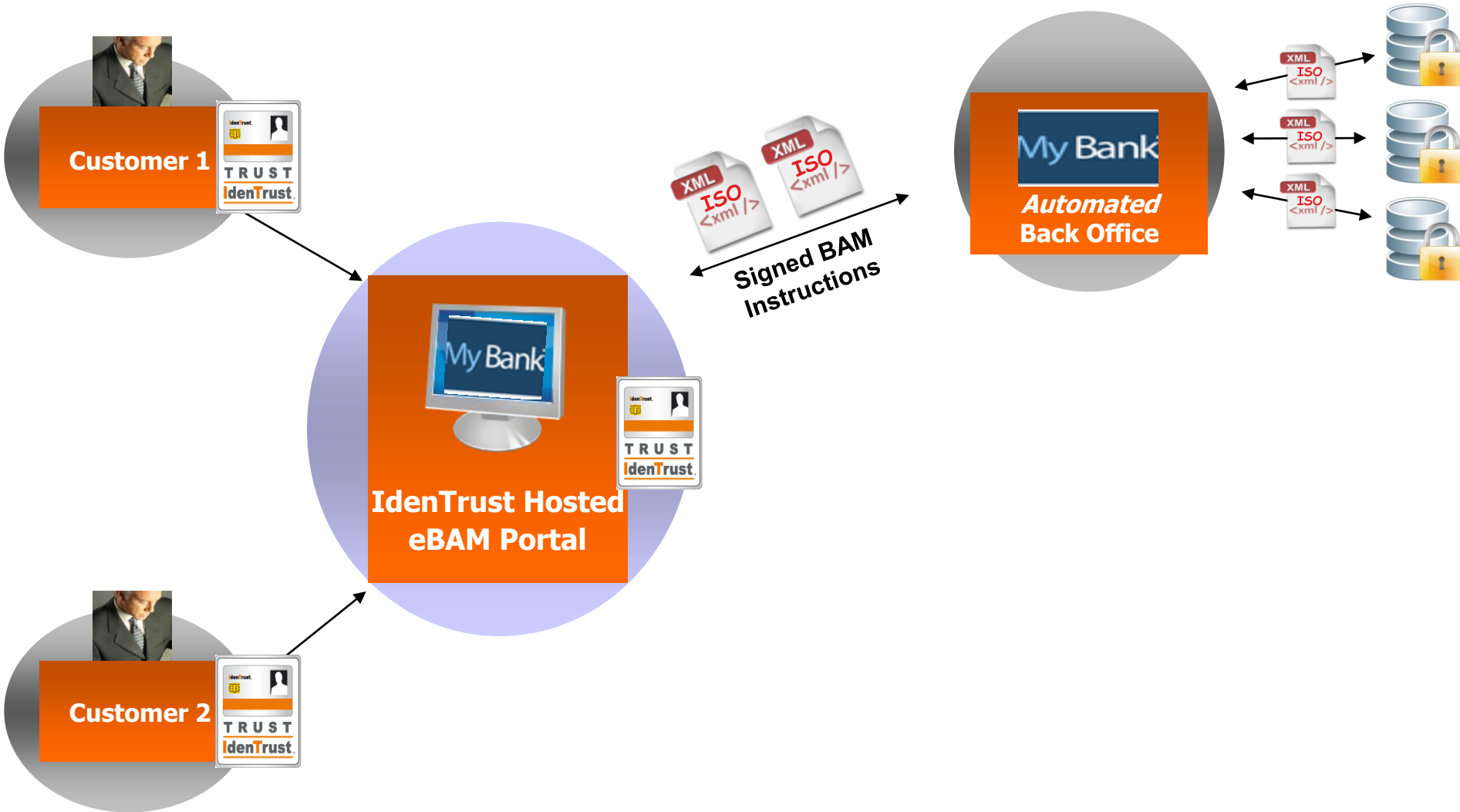
Phase 1: Workflow Engine to Streamline Customer Experience, User Authentication, Physical Delivery



Phase 2: Workflow, Electronic Signatures, PDF Delivery



Phase 3: Workflow, Electronic Signatures, XML Delivery, STP in Bank



Phase 4: Common Customer Experience, Lead Bank Differentiation



Security considerations for eBAM

- To fully benefit of eBAM, PKI is a must
 - Stronger authentication
 - Document signing
 - Non repudiation

- Make your Customer's life easy
 - Avoid self-enrolment procedures
 - Simplify IT set-up
 - Personalize the device
 - Allow authentication & signing to be simple

- Security becomes a competitive factor in e-Banking
 - Customers will prefer to use applications which are secure AND simple

Plug and Sign and eBAM

- What if I had a device that
 - Contained my digital identity
 - Was the most secure on the market – could not be hacked
 - Was configured for my Internet Banking applications
 - But was also configured for my eBAM application
 - Launched automatically and allowed me to select the appropriate application
 - Could be used with multiple banks



Summary

- Everything that a bank needs for eBAM is available today
- Corporates want and need eBAM to become a reality
- Think about HOW to implement eBAM, not about WHY
- Make sure Security is allowing you and your customers to get the most out of eBAM