

# VERIDOS

IDENTITY SOLUTIONS

by Giesecke & Devrient  
and Bundesdruckerei



## Payment on eID

Equal opportunities for a better society –  
through reliable identification and  
financial inclusion

In cooperation with



**MasterCard**

# Financial inclusion – one of the biggest challenges of modern society

In 2014, 35 emerging and developing countries' central banks committed themselves to financial inclusion by means of electronic payment schemes.

Today, approximately 2 billion people worldwide do not have access to formal financial services. This affects more than two thirds of all adults in most developing countries. These citizens have no safe storage for their money, are denied economic opportunities and the access to insurance, micro credits and social benefits is limited. Currently, most of them have no perspectives whatsoever to improvement. Furthermore, they are exposed to the existential danger of suddenly losing all of their cash savings through crime or natural disasters.

**Financial inclusion can be an effective means to stabilize society**

Financial excluded citizens are working in the "grey economy" which is strictly based on cash transactions. This limits the government's abilities to combat corruption, organized crime, tax evasion and fraud. Cash based government disbursements of social benefits and salaries are often skimmed, resulting in beneficiaries not receiving the full value of their social grants or salaries.

In the United States, it's estimated that the public purses will save 1 billion dollars, in operational savings over 10 years, by moving from cash and check to digital payments.

**Fighting organized crime, tax evasion and fraud requires reliable identification**

Digital payments leads to greater transparency, efficiencies and convenience. Biometric registration allows for an accurate and clean central data base, eliminating ghost citizens and beneficiaries saving governments substantial funds.



Private companies like financial institutions are unable to identify multiple identities by themselves. Without reliable identification means fraudsters are able to open bank accounts at different banks with different identities.

Governments can provide unique identification means through national identity card programs. The ability to register the whole population with biometric features and deduplication of these records through ABIS (Automated Biometric Identification System) is unique to governments.

Biometric features also increase the robustness of identification in everyday situations, still secured in trustworthy hands, inaccessible to the private business.

### eID with payment functionalities – reliable identification and electronic banking combined

Equipping national ID cards with payment functionalities allows governments to tackle several challenges:

- Ensure all citizens have a way to deposit, keep funds safe and access funds in a safe and affordable manner
- Ensure all citizens can participate in the formal financial sector
- Help governments build a secure central data base utilizing biometric data
- Utilizing the central data base, government can issue a secure eID with payment functionality, which government can then use to
  - Distribute social grants and aid
  - Educational assistance
  - Disaster relief

Citizens can also use the eID to pay fees and taxes to government.

Payment-enabled identity cards provide a bank account for every citizen and thus help to promote cashless transactions with all their benefits for citizens, governments, public authorities, and banks alike.

As dedicated multi-application cards, they will also reduce the overall amount of cards issued – and enable new use cases that have not been available to single application cards up to now.



## Veridos and MasterCard – creating solutions for Payment on eID

The successful implementation of eID with payment functionality is possible through collaboration and the commitment from government, financial institutions, MasterCard and Veridos. Leveraging existing infrastructure and global expertise government and citizens can benefit from a smarter ID solution with payment functionality.

Thanks to its year-long experience in the government and financial sectors and its profound cross-industry insights, Veridos with MasterCard is able to provide the required future-proof and sophisticated turnkey solutions to government and industrial partners worldwide in order to put national and global Payment on eID schemes into operation.

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