Open Banking and high assurance identity with IBM Security Verify

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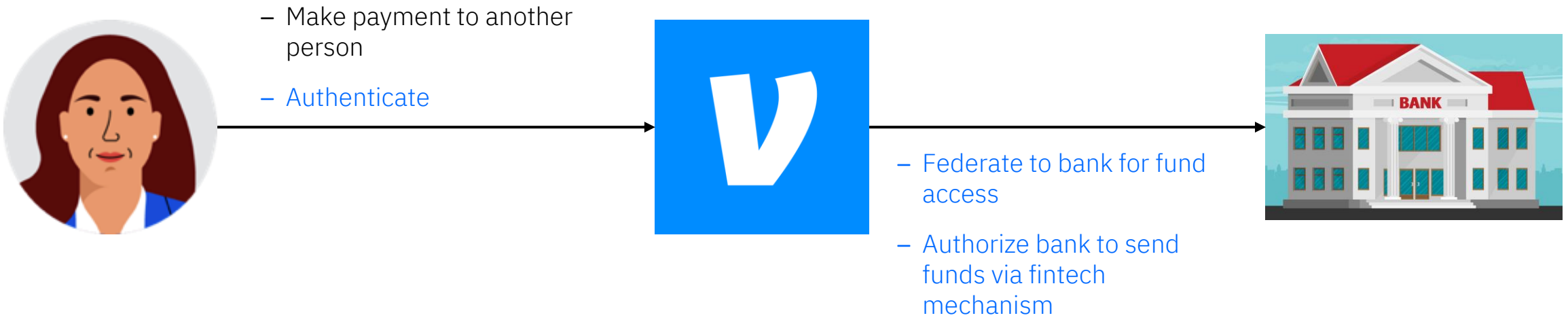
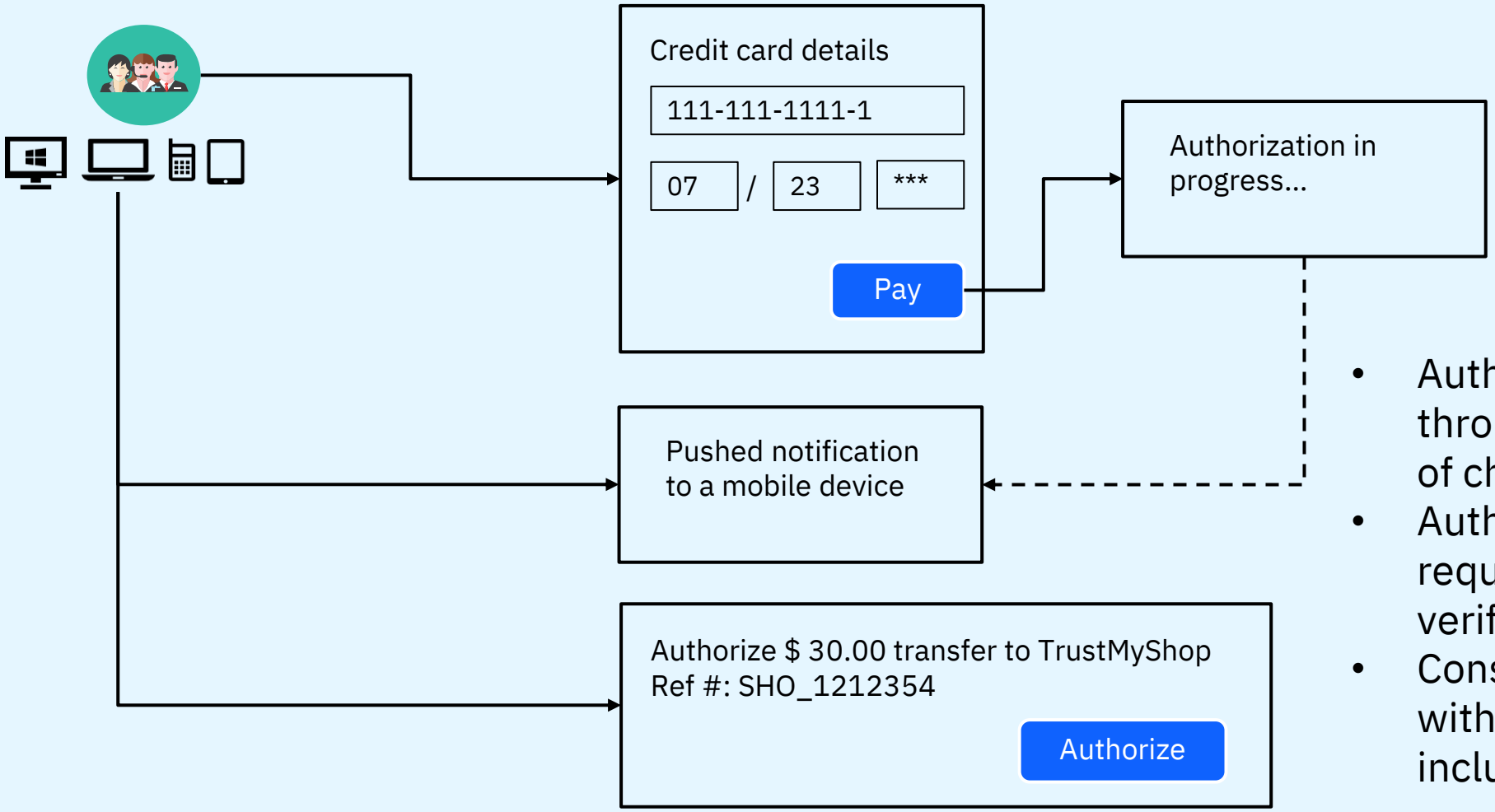
What is an open banking scenario?



Identity is the core to open banking flows

- Authorizing sharing of PII (ex: bank account, address, name, etc)
- Requiring consent of use of PII for very specific reasons
- Fully transparency and user awareness of what is shared and why

Typical end user flow



- Authentication performed through an identity provider of choice – Social or native
- Authorization policy requires possible biometric verification
- Consent statement recorded with reference number included

Mission: Help securely connect any identity to any resource

IBM Security™ Verify

Workforce Identity

Drive cloud modernization, technical agility and user productivity

Continuous Access and Governance

- Directory, SSO, & MFA
- Adaptive access w/AI
- Passwordless & FIDO2
- Governance & Lifecycle
- Privileged access
- Privacy and consent management

Consumer Identity

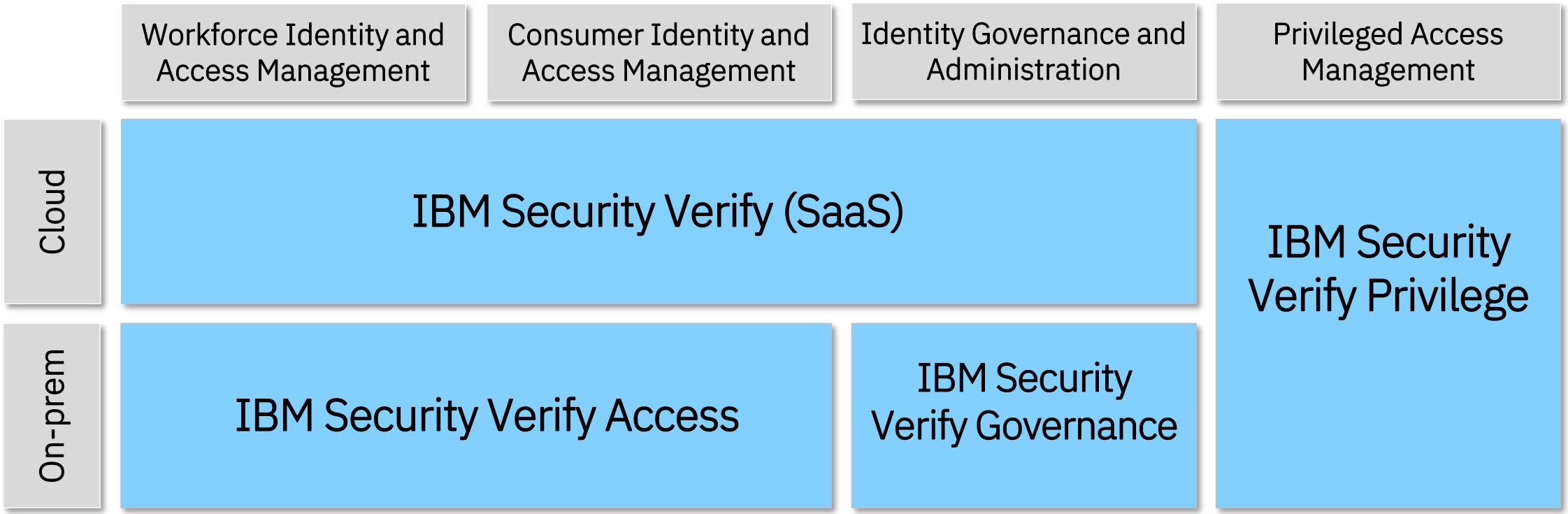
Deliver on-demand, personalized, and trusted experiences

Hybrid Cloud Resources

Cloud Apps | On-Prem Apps | Mobile Apps | Data

VPNs | Servers | Databases | Mainframes

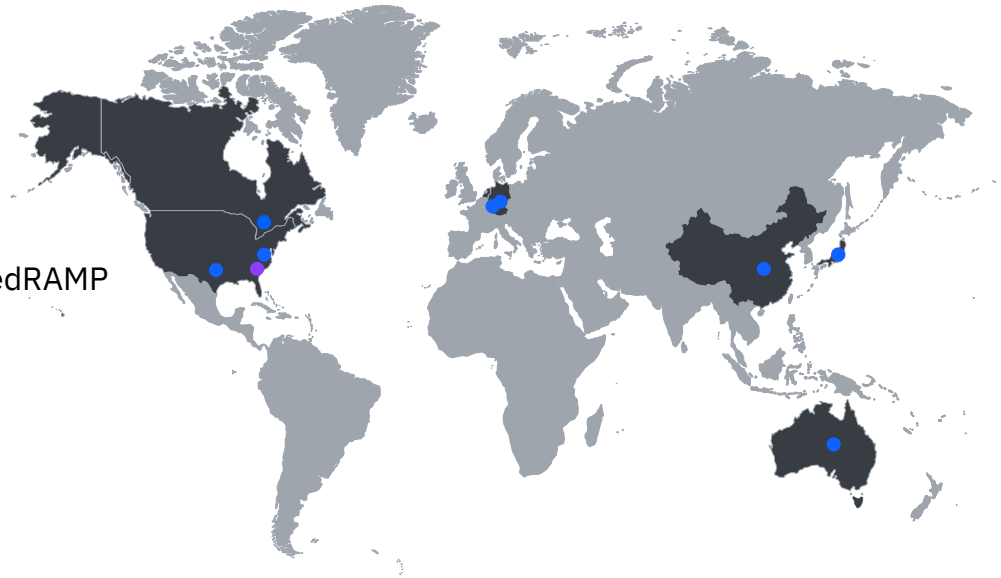
IBM Security Verify Portfolio



IBM Security Verify Deployment locations and certifications

Deployment locations

- United States
- Europe
- China
- Government (FedRAMP Ready)
- Japan
- Canada
- Australia



Compliance and certifications

PCI DSS Certified
Since 2020

SOC2 Type 2 & 3 Certified
Since 2020

ISO 27001 Certified
Since 2017

HIPAA Ready as of
August 2022

FedRAMP

ATO in Progress

OpenID CERTIFIED

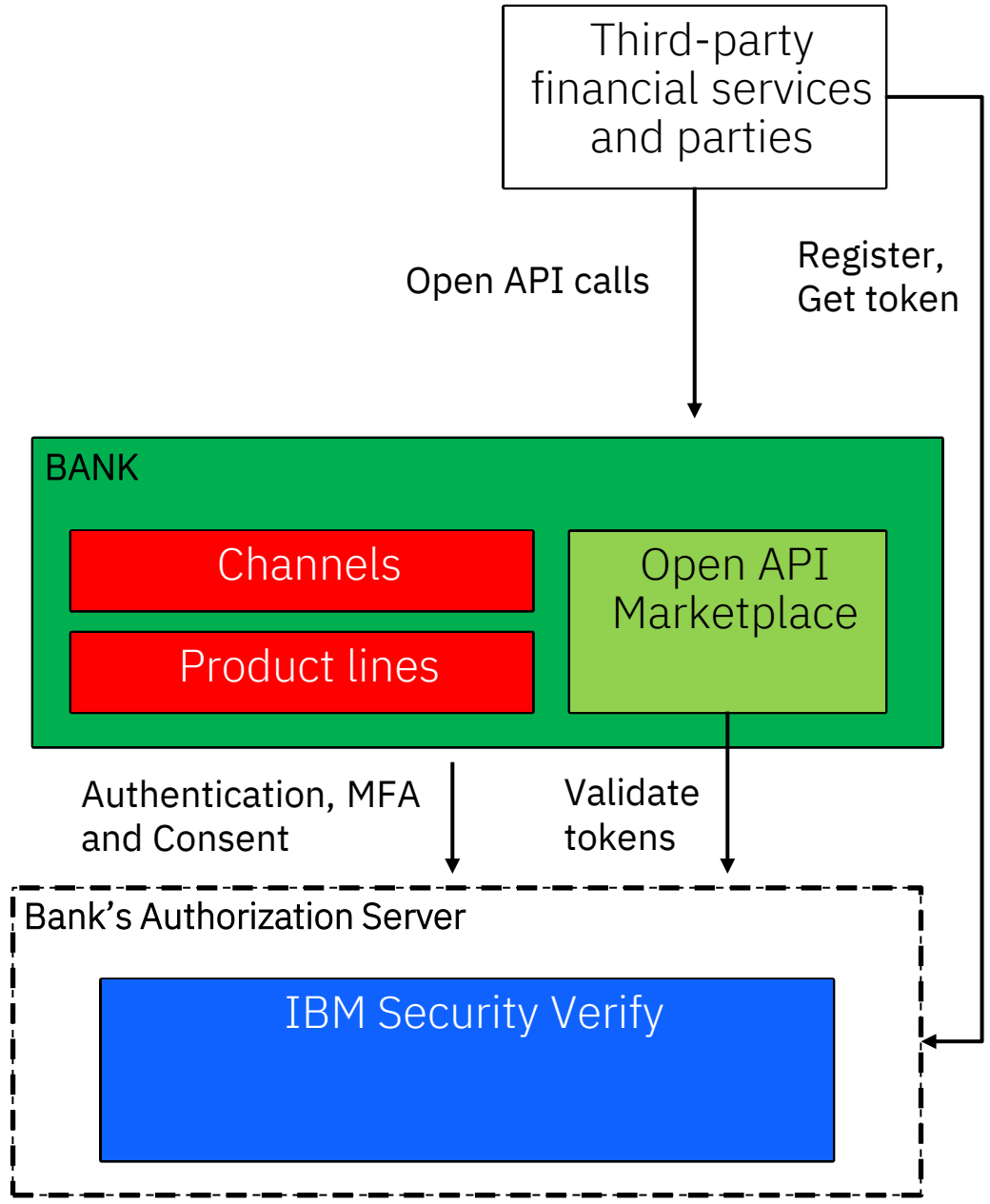
Open Banking profile *certification:*

- mTLS
- Private Key
- PAR
- AU geo certification
- UK geo certification
- JARM
- *CIBA – 1H23**

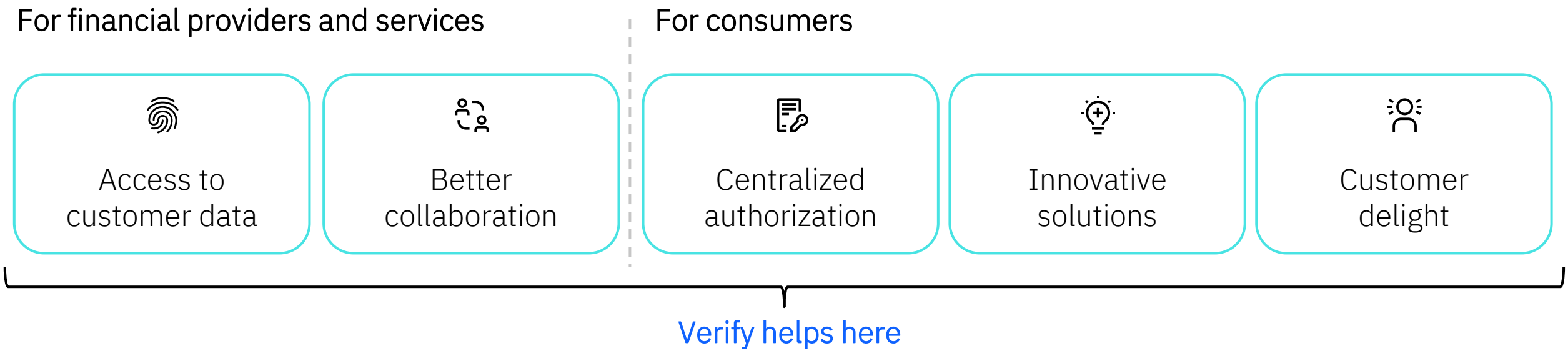
*Dates are planned and subject to change

Open Banking needs and drivers

- Focus on how consumer data is shared and used for financial transactions – FinTech with traditional banking.
- Open APIs to facilitate the exchange of data, processes and apps to an ecosystem of developers, vendors and partners.
- Create an irrevocable link between a customer's profile and evidence of consent.
- Open Banking by region
  - EU General Data Protection Regulation (GDPR)
  - European Payment Services Directive (PSD2)
  - UK Open Banking Initiative (OBIE)
  - Australia Consumer Data Rights (CDR)
  - Brazil Security Working Group

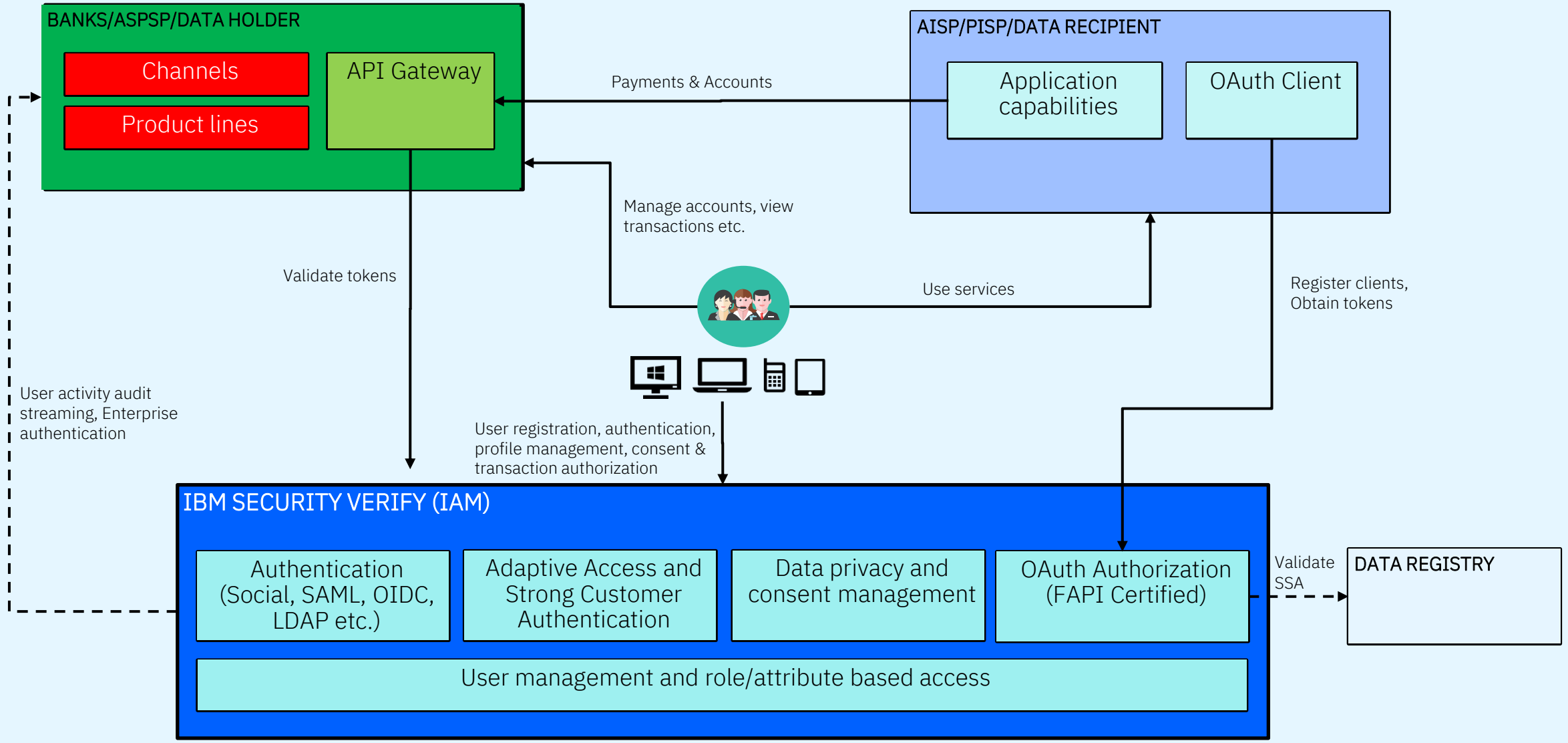


Benefits



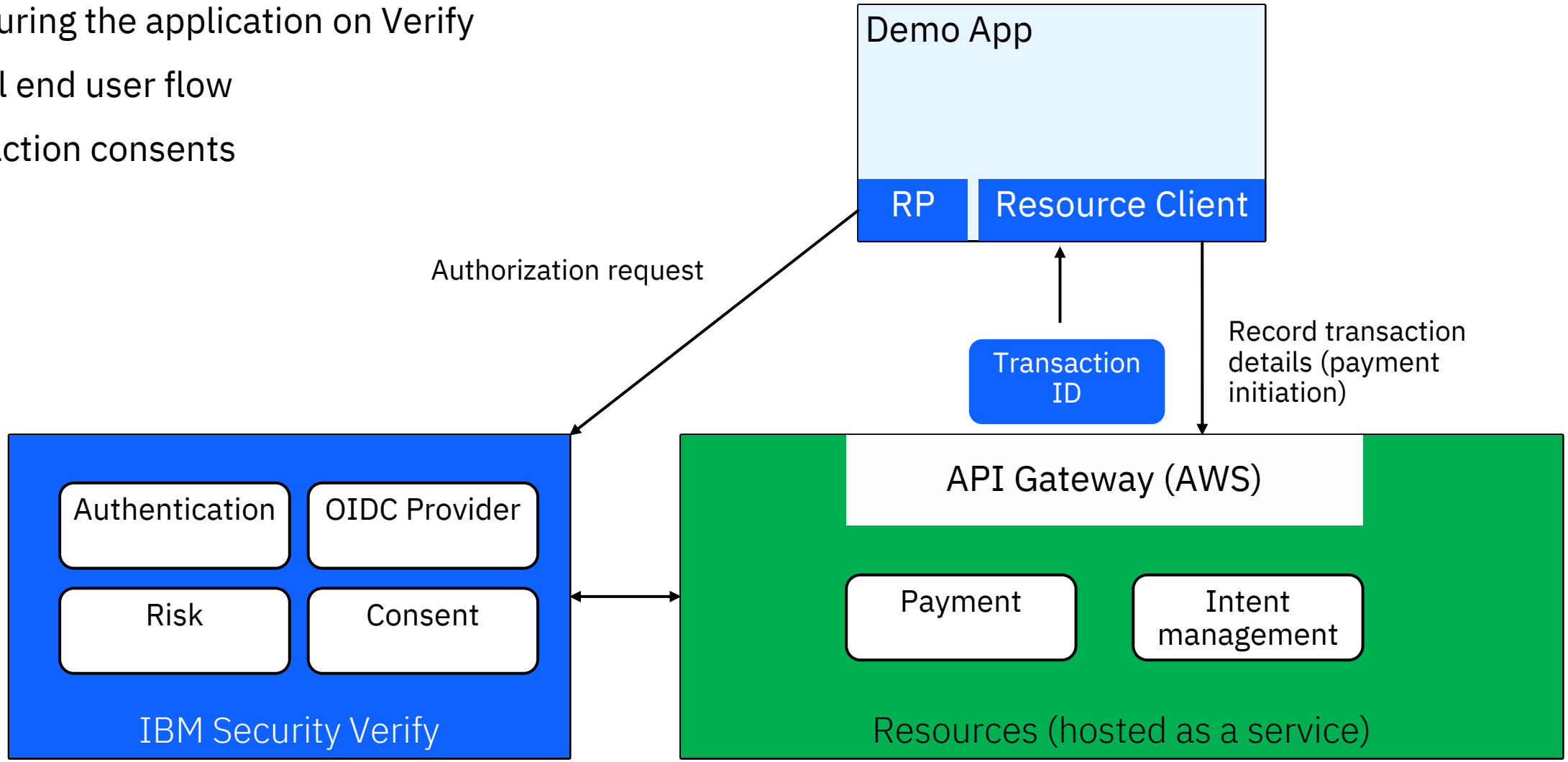
- Standardizes how IdP (Banks) and RPs (FinTech) can securely exchange consumer data (ex: claims and transactions)
- Provides native consumer flows and frictionless authentication experience
- Issues security tokens to enable fine grained access to customer data
- Enforces strong customer authentication and advanced data privacy policies to drive authorization and consent
- Financial fraud detection and ML-driven threat analysis

Example Financial Grade API (FAPI) Blueprint



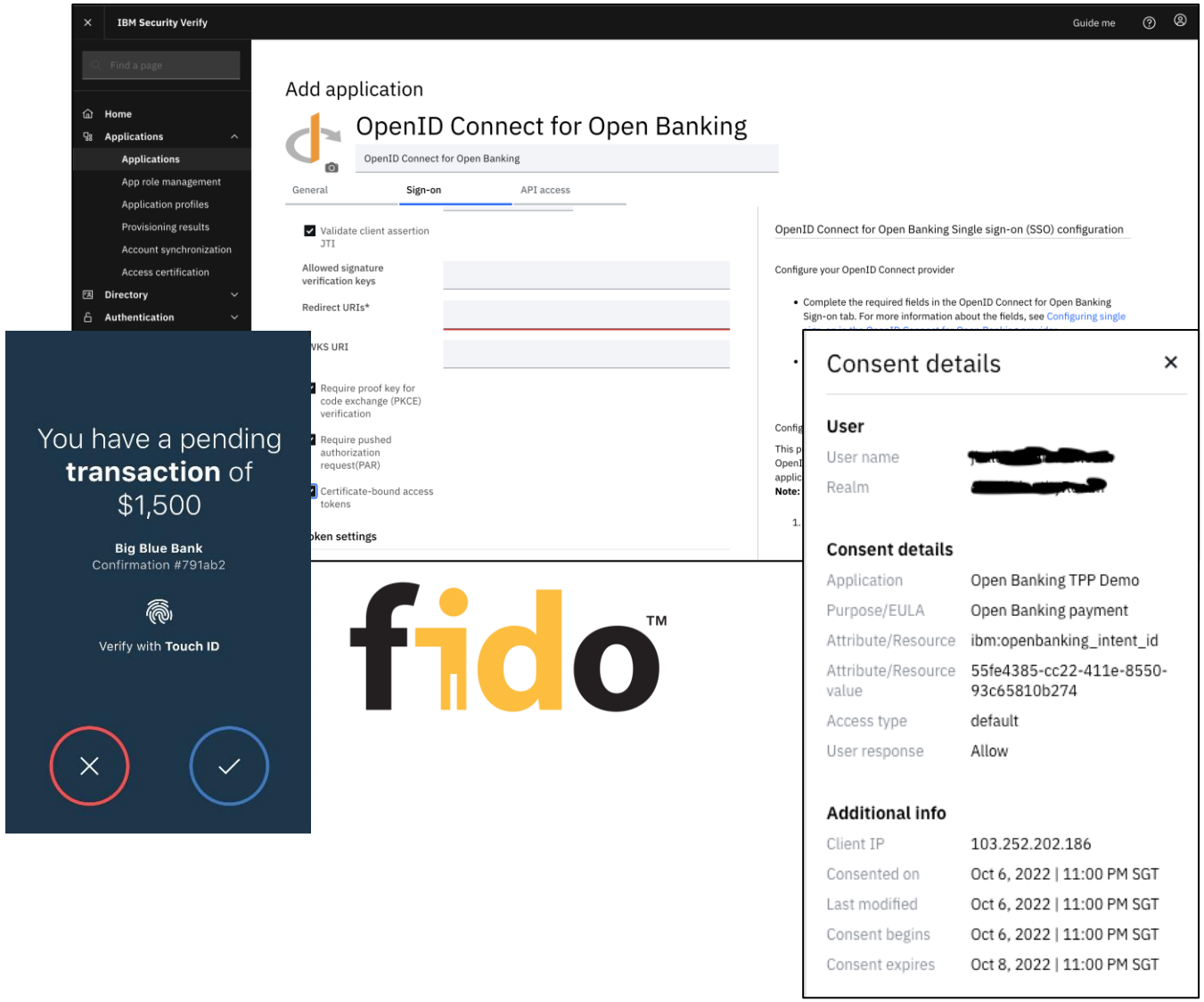
Demo with Verify

- Configuring the application on Verify
- Typical end user flow
- Transaction consents



IBM Security Verify is primed…

- ☑ Out of the box connector to align to the necessary Open Banking profiles
- ☑ Third-party regulation and provisioning
- ☑ Secure token management and issuance
- ☑ User consent
- ☑ Secure customer authentication
- ☑ Financial fraud prevention
- ☑ Threat detection and response



Generic Certifications

FAPI 1 Advanced Final (Generic)

Organization	Implementation	FAPI Adv. OP w/ MTLS	FAPI Adv. OP w/ MTLS, PAR	FAPI Adv. OP w/ Private Key	FAPI Adv. OP w/ Private Key, PAR	FAPI Adv. OP w/ MTLS, JARM	FAPI Adv. OP w/ Private Key, JARM	FAPI Adv. OP w/ MTLS, PAR, JARM	FAPI Adv. OP w/ Private Key, PAR, JARM
IBM	IBM Security Verify (as of May 2022)	11-Jul-2022 view	11-Jul-2022 view	11-Jul-2022 view	11-Jul-2022 view	13-Dec-2022 view	13-Dec-2022 view	13-Dec-2022 view	12-Dec-2022 view
IBM	IBM Security Verify Access 10.0	05-Aug-2022 view	05-Aug-2022 view	05-Aug-2022 view	05-Aug-2022 view	17-Nov-2022 view	21-Nov-2022 view	17-Nov-2022 view	12-Oct-2022 view

Financial-grade API (FAPI) 1.0 Second Implementer's Draft

These deployments have achieved certifications for the Financial-grade API (FAPI) 1.0 Second Implementer's Draft, as published October 2018, conformance profiles:

Note: Between FAPI 1.0 Second Implementer's Draft and the publication of the 'Final' revision, the Read/Write profile name was changed from 'R/W' to 'Advanced'.

Organization	Implementation	FAPI R/W OP w/ MTLS	FAPI R/W OP w/ MTLS, PAR	FAPI R/W OP w/ Private Key	FAPI R/W OP w/ Private Key, PAR	UK-OB R/W OP w/ MTLS	UK-OB R/W OP w/ Private Key	AU-CDR R/W OP w/ Private Key	AU-CDR R/W OP w/ Private Key, PAR
IBM	IBM Security Verify Access 10.0	26-May-2020 view		26-May-2020 view					

Certified Financial-grade API Client Initiated Backchannel Authentication Profile (FAPI-CIBA) OpenID Providers

These deployments have achieved certifications for these Financial-grade API Client Initiated Backchannel Authentication Profile (FAPI-CIBA) conformance profiles:

Organization	Implementation	FAPI-CIBA OP poll w/ MTLS	FAPI-CIBA OP poll w/ Private Key	FAPI-CIBA OP Ping w/ MTLS	FAPI-CIBA OP Ping w/ Private Key
IBM	IBM Security Verify Access 10.0	11-May-2022 view	11-May-2022 view	11-May-2022 view	11-May-2022 view

Source: https://openid.net/certification/#FAPI_OPs

Regional Certifications

UK Open Banking (Based on FAPI 1 Advanced Final)

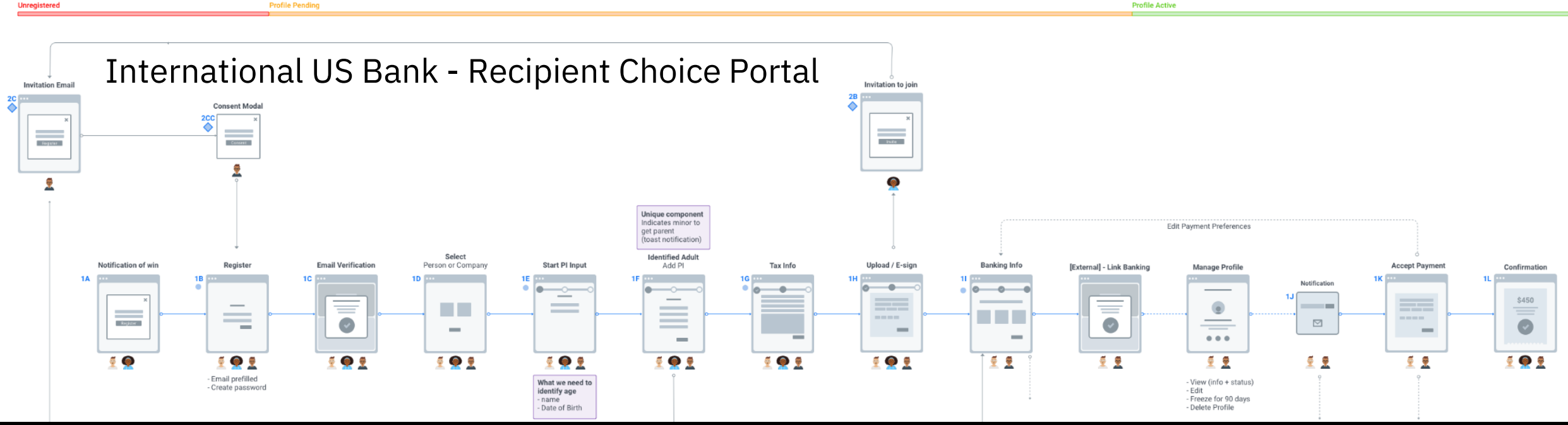
Organization	Implementation	UK-OB Adv. OP w/ MTLS	UK-OB Adv. OP w/ Private Key
IBM	IBM Security Verify (as of May 2022)	12-Nov-2022 view	12-Nov-2022 view
IBM	IBM Security Verify Access 10.0	27-Oct-2022 view	27-Oct-2022 view

Australia CDR (Based on FAPI 1 Advanced Final)

Organization	Implementation	AU-CDR Adv. OP w/ Private Key	AU-CDR Adv. OP w/ Private Key, PAR	AU-CDR Adv. OP w/ Private Key, PAR, JARM
IBM	IBM Security Verify (as of May 2022)	18-Jul-2022 view	18-Jul-2022 view	
IBM	IBM Security Verify Access 10.0	29-Oct-2022 view	28-Oct-2022 view	

Source: https://openid.net/certification/#FAPI_OPs

International US Bank - Recipient Choice Portal



Background

A US based bank has tasked by a Gaming company to provide capabilities to capture and manage recipient data, and facilitate client payments.

As these recipients may not be bank account holders, they needed a new approach on how to handle consumer identities and collect preferences in regard to their payout routing

The solution needed to

Capture and authenticate recipient data and payment preference details with a global reach.

Perform risk management and due diligence capabilities such as KYC, Sanction screening and tax implications.

Provide a solution which allows us pay client recipients who are minors and need parental consent

IBM's value proposition

Accelerate your speed-to-market with proven assets and intellectual property around Identity and Payments solutions

Reduce delivery risk by providing global experience system integrators with financial services and payment experience

Support key executive, design and implementation decisions with relevant technology, payment, risk and compliance expertise

Our Solution

A collaborative team of GBS Risk and Compliance, GBS iX and IBM Security worked together to deliver:

Comprehensive UI/UX Design with Persona Mapping

CIAM Architectural Design Based on IBM Security Verify SaaS,

Payment Routing and Linking capabilities with payment options like PayPal and Zelle

Thank you

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