



**CRI**

Centre for Regulatory Innovation

## Regulators' Capacity Fund

Innovation Science  
and Economic  
Development Canada  
(ISED)

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\$2,300,000

### *Centralized Service for Enabling Regulators to Issue and Consume Digital Credentials*

To comply with regulations, businesses must often provide regulators with proof of identity or of their authority to undertake specific activities. This information is generally required to be provided in hard copy, which takes time and effort to produce. Digital credentials are an emerging technology that could enable governments and organizations to issue digital versions of official documents that can be held and shared through a secure digital wallet. The use of digital credentials could make it easier and more affordable for businesses and regulators to engage in digital transactions.

The current use of paper is time-consuming and costly for both regulators and businesses. If digital credentials were adopted on a large scale and administered through a centralized service, regulators could issue and verify digital versions of documents instead of paper versions. However, there are also significant costs currently associated with the adoption of digital credentials. The creation of a prototype proof of concept service would lay the groundwork for the eventual establishment of a national digital infrastructure to issue and verify digital credentials, which would enable Canadian regulators and businesses to easily use and manage digital credentials.

To enable businesses to provide their information to regulatory bodies and other businesses more quickly and easily, ISED created and tested an innovative prototype service, the National Digital Trust Service Proof of Concept. The prototype service successfully tested the issuance and verification of digital credential use cases for 18 participating organizations, which included a wide-range of private and public sector entities.

The project demonstrated the value of a centralized digital credentials service and is being used to inform other ongoing digital credential initiatives. If and when digital credentials are adopted on a larger scale, it will save time and effort for regulators, who will be able to rely on digital credentials when obtaining information from businesses instead of the current inefficient and error-prone practice of requiring businesses to provide information manually. This will support competitiveness by enabling business to comply with and regulators to administer regulations more effectively and more efficiently.

