



Monetary Authority of Singapore

Response to Feedback Received

05 April 2023

CONSULTATION PAPER ON NOTICE ON IDENTITY VERIFICATION



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1. Preface

- 1.1. In November 2020, MAS issued a Consultation Paper on Notice on Identity Verification (“the proposed Notice”) to seek feedback on mandating the types of information that financial institutions (“FIs”) must use to verify the identity of an individual initiating financial transactions through non-face-to-face communication channels such as internet and phone.
- 1.2. The proposed Notice was aimed at reducing the risk of unauthorised financial transactions arising from the theft and misuse of an individual’s personal information.
- 1.3. Under the proposed Notice, FIs would be required to use at least one of the following four identity verification methods; something that only the individual knows, something that only the individual has, something that uniquely identifies the individual, or information that is only known between the individual and the FI. FIs would be prohibited from relying on personal information such as NRIC number, residential address, and date of birth as the sole means to verify an individual’s identity.
- 1.4. The consultation period closed on 9 December 2020 and MAS would like to thank all respondents for their feedback and comments.
- 1.5. MAS has carefully considered the feedback received from the public and will not proceed to issue the proposed Notice. The reasons are set out in Section 2.
- 1.6. Nevertheless, MAS recognises that the fraud landscape and authentication solutions evolve, and FIs need to continuously improve their identity verification processes and controls to address the risk of unauthorised financial transactions arising from the theft and misuse of an individual’s personal information. As such, MAS is issuing a circular to FIs, which articulates the security principles and best practices that should be adopted in FIs’ identity verification processes.



2. Response to Feedback on Financial Institutions' Identity Verification Measures

- 2.1. Based on the feedback received, MAS has assessed that the type of information to verify an individual's identity need not be mandated at present.
- 2.2. MAS has issued a circular on 24 July 2018 to all FIs, informing all FIs to tighten their customer verification processes via the implementation of multi-factor authentication, and not to rely solely on personal information, i.e., name, NRIC number, address, gender, race, and date of birth to verify customers' identities.
- 2.3. We note that since then many FIs have implemented sound identity verification measures over non face to face channels. Further, as technological solutions for identity verification are still evolving, FIs have requested for the flexibility to assess different technologies, processes and controls which may be used to identify an individual with whom they have non-face-to-face interactions; and to implement those that are most effective in mitigating risks associated with identity theft within their unique operating environment.
- 2.4. In view of the rise in scams targeting FIs' customers and the rapid changes in scam and fraud typologies, FIs need to make use of additional information to complement multi-factor authentication to strengthen identity verification. For example, FIs can make use of information such as geolocation and timing of requests, and device binding to establish a proof of identity by linking a device trusted by the customer and the financial institution.
- 2.5. MAS will continue to monitor the risk of unauthorised financial transactions arising from the theft and misuse of an individual's personal information and will work closely with the industry to introduce additional measures as necessary.