

Regula

What will change for IDV in 2024?

Insights and tips on how to succeed



Name/Surname

Nikita Dunets

Business role

Deputy Director at Regula

Regula key facts

32

years in the industry

13,600+

the most comprehensive library
of identity documents from
249 countries and territories

100%

in-house R&D

170+

countries covered by Regula
solutions

80+

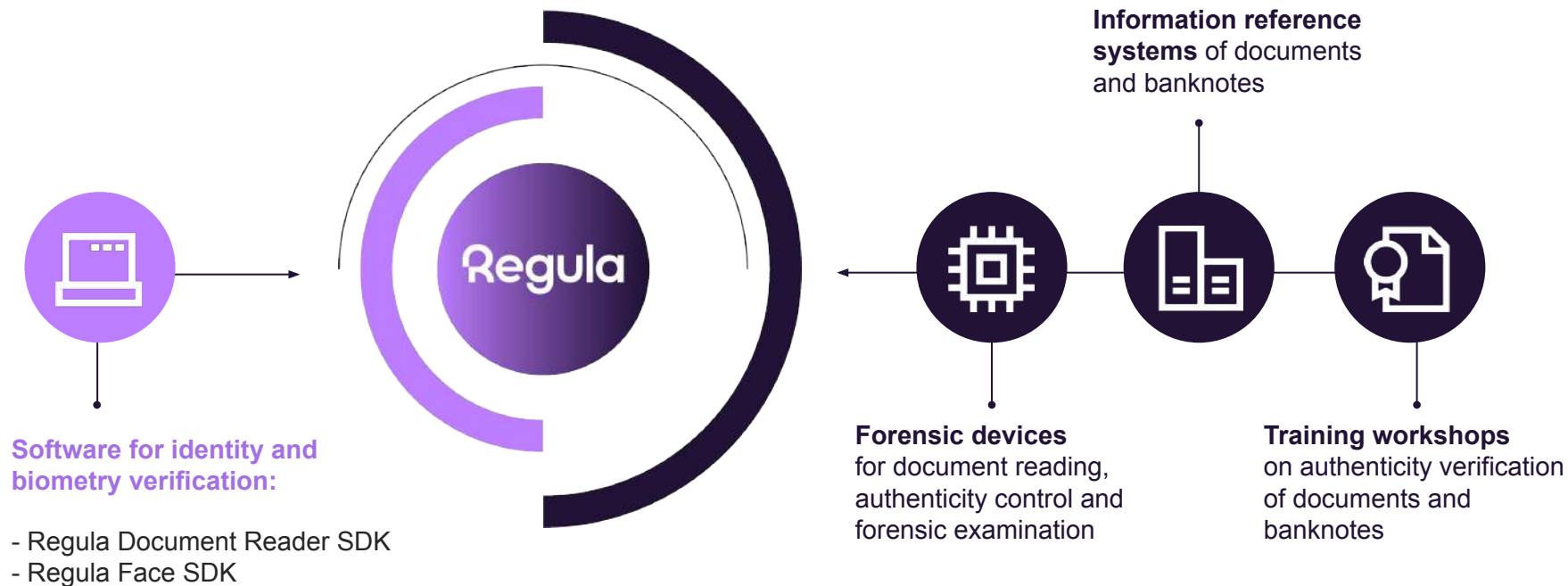
border controls globally equipped
with Regula solutions

1,000+

clients

Regula product portfolio

We are the only company providing complete high-quality analysis of security features embracing four spheres



Current IDV market overview

Identity verification definition

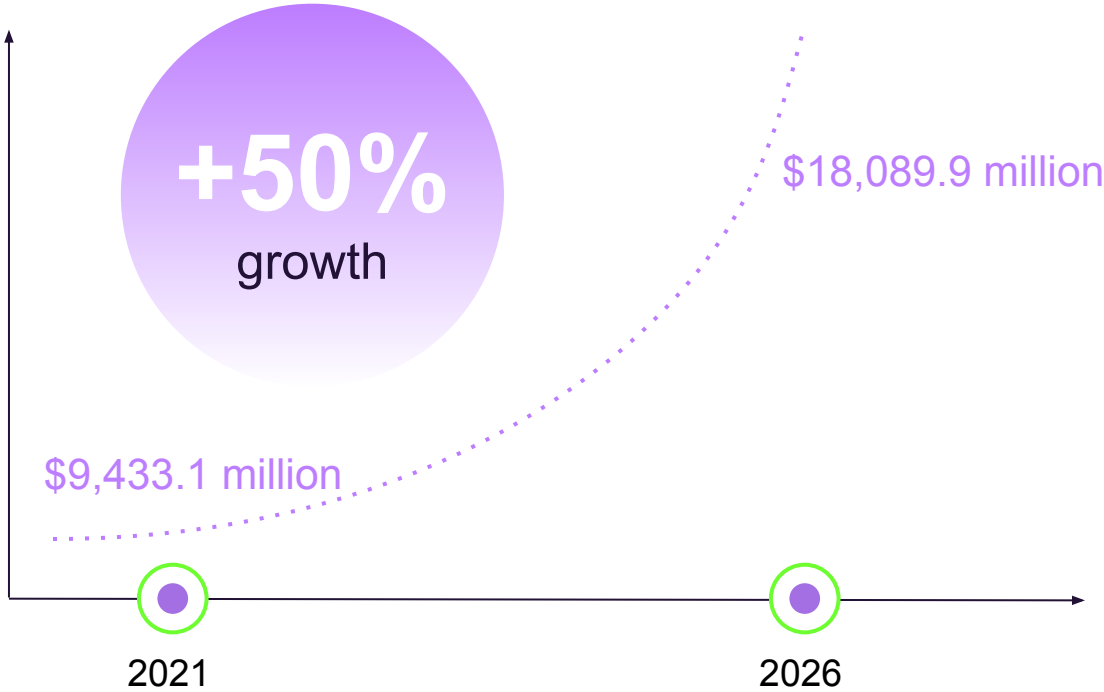
Identity verification isn't KYC

As Gartner notes, “Buyers’ needs are evolving beyond traditional know your customer (KYC) use cases. Identity verification is now being deployed more broadly in marketplace, workforce and security-focused use cases, which is increasing demand for identity verification solutions.”

Regula Repeatedly Named a Representative Vendor in Gartner Market Guide for Identity Verification

Regula, a globally recognized developer of forensic devices and identity verification solutions, has been acknowledged in the 2023 Gartner® Market Guide for Identity Verification.

IDV market landscape



**4 companies
out of 5**

are going to have document-centric identity proofing as part of their onboarding workflow



Fraud

is growing

On average, organizations have experienced around **18 identity fraud** incidents in the past year

Key findings of a global survey initiated by Regula and conducted by Sapio Research in December 2022 and January 2023 using an online survey of 1,069 Fraud Detection/Prevention decision makers across the Financial Services, Technology, Telecoms, and Aviation sectors.



\$240,000 is the average financial burden of identity fraud



\$250,000+ is the average compliance failure cost



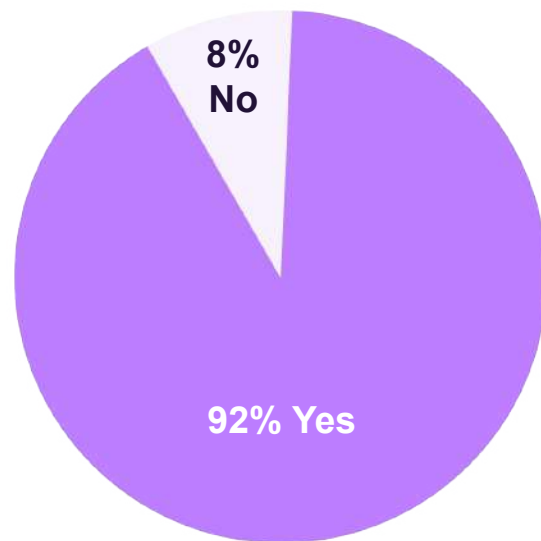
Incalculable - the cost of reputation damage



\$50-70k is the average IDV solution license cost per year

A secure IDV solution is essential for success

92% of organizations plan to increase IDV spendings in the next 1 to 3 years



Q. Are you planning IDV spendings to be increased in the next 1-3 years?

What will change for IDV in 2024?

1. Mass migration: extended variety of IDs



Migration and digital nomads
bring new ID document
challenges for banks

5.5 times

overall increase in remittances in 2000-2020

85%

of banks are faced with a growing number of foreign
documents

17%

increase in cases faced by
organizations involving foreign document verification
since January 2022

Global Coverage of Identity Documents

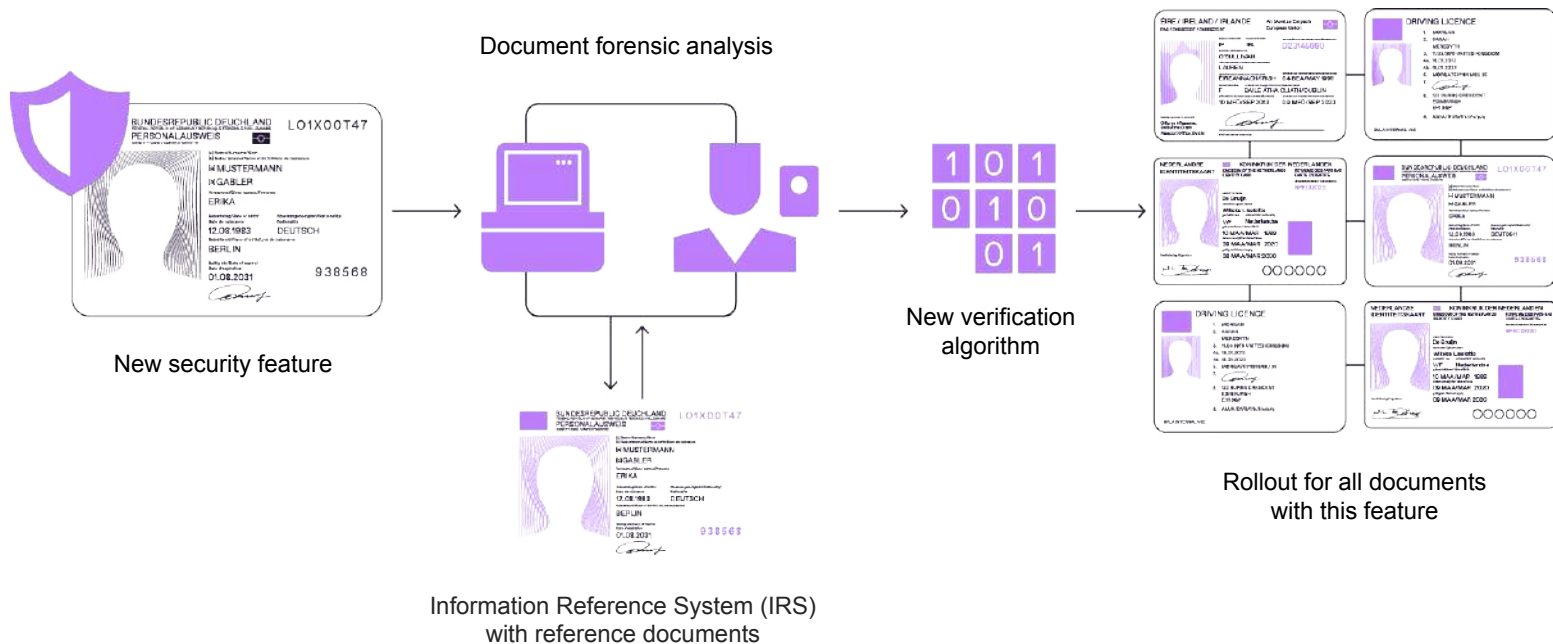


13,600+ document templates covering **249** countries and territories



Support for **138** languages and scripts, including Latin, Cyrillic, Hebrew, Greek, Spanish, Arabic, and Chinese

Extensive knowledge of identity documents is a gamechanger



Customer Success Story



U.S. Customs and
Border Protection



esta.cbp.dhs.gov/applicantinfo

Disclaimers Applicant Information **REVIEW & CONFIRM** Application Pay

ENTER APPLICANT INFORMATION

The following information is required of every non-immigrant visitor not in possession of a visitor's visa who is a national of one of the requested. Each member of your traveling party must complete a separate application.

Please provide all responses in English.
Required fields are indicated by a red asterisk.

APPLICANT / PASSPORT INFORMATION

Refer to your passport and enter all information in the same format.

Family Name *
Passport Number *
Issuance Date *
Day Month Year
Country of Citizenship / Nationality *

REVIEW & CONFIRM

The following information was captured from the Machine Readable Zone (MRZ) of your passport. The same information will be populated on the "ENTER APPLICANT INFORMATION" page. You can edit this information after it is populated on the "ENTER APPLICANT INFORMATION" page by clicking on the text boxes of the corresponding fields.

APPLICANT / PASSPORT INFORMATION

Family Name *
First (Given) Name *
Sex *
Date of Birth *
Country of Citizenship / Nationality *
Issuing Country *
Expiration Date *

ADD TO MY APPLICATION **CANCEL**

Step 2

esta.cbp.dhs.gov/applicantinfo

Disclaimers Applicant Information Personal Information Travel Information Eligibility Questionnaire

ENTER APPLICANT INFORMATION

The following information is required of every non-immigrant visitor not in possession of a visitor's visa who is a national of one of the requested. Each member of your traveling party must complete a separate application.

Please provide all responses in English.
Required fields are indicated by a red asterisk.

APPLICANT / PASSPORT INFORMATION

Refer to your passport and enter all information in the same format.

Family Name *
KOWALSKI

First (Given) Name *
JAN

Passport Number *
ZE4011939

Issuing Country *
POLAND (POL)

Issuance Date *
Day Month Year
21 August 2028

Country of Citizenship / Nationality *
POLAND (POL)

Personal Identification Number

Sex *
Male

Date of Birth *
Day Month Year
2 January 1981


Step 3





2. NFC-based verification - zero trust to mobile

- Data from an RFID chip which is read using a mobile phone can be modified by fraudsters — therefore, mobile devices alone can't be trusted
- Data collected from mobile devices should be additionally verified on a server when a high level of protection is required



3. The emergence of deepfake technology - a new era of deception and sophistication

\$25 million

deepfake heist targeting a finance professional
at a multinational corporation in Hong Kong

80% of global companies' largest concerns are associated with the surge in AI-generated identity fraud

\$300,000

average damage to enterprises

Source: Regula's [identity verification report](#)



Liveness detection technologies are becoming critical for the identity verification process.

The number of deepfakes detected worldwide in 2023 was 10 times the number detected in 2022.

Source: Gartner
Emerging Tech: The Impact of AI and Deepfakes on Identity Verification

Catching identity fraud - Liveness-centric IDV

Liveness detection is a must-have for remote customer onboarding



Hologram, MLI or OVI
detection help ensure
document authenticity



Passive or Active liveness
ensure the applicant is
a real human being

Customer success story

- > **Challenge**
 - Remote client onboarding
 - Only real live physical documents should be accepted
- > **Solution**
 - Regula Document Reader SDK for remote ID verification
 - Document liveness check with hologram detection to effectively recognize fraud literally at the doorstep
 - Hologram verification, together with screen capture detection, ensure the documents are authentic and that the applicants aren't taking pictures of IDs from a computer screen.
- > **Result**

Fast and accurate identity verification during the onboarding process, plus increased security and client loyalty. The bank increased their client base and improved their NPS score.

COVID-19
challenges

Client base
expansion

NPS score
improved

4. Beyond traditional IDV

Authenticity cross-checks

Pattern

Aztec Code

Main vs other page portrait comparison

Hologram check

...

Cross-checks

Document type detection

Photo size

Main vs RFID portrait comparison

Barcode format check

...

Required text field check

Document liveness check

Main vs ghost portrait comparison

QR code

RFID vs live camera portrait comparison

Screenshot check

MRZ check

Additional Portrait

IPI check

Face identification 1:N

Image quality check result type

Liveness detection

Face matching 1:1

...

...

PDF417

Data Matrix

Main vs live camera portrait comparison

Photo replacement check

Hologram verification

Data integrity check

Age verification

RFID chip reading

Server-side verification

Document front and back sides

Bounds if document is not fully present in the image

Stamp

Image Focus

Barcode image

Image Glares presence

Signature of document holder

...

5. Great customer experience - the greatest success for an IDV solution



Q. How do you determine the success of IDV solution deployment within your organization? Select all that apply.

Digital Onboarding - Abandonment Rate

Every  nd customer

drops the onboarding process because
of a bad experience

Digital Onboarding Is Essential for Customer Experience

The most common problems of digital onboarding:

- Collecting too much information from the user
- It takes too long
- Customers have to prove who they are multiple times
- Confusing language
- Only using one channel to onboard

75%

customers in banking confirm that a positive experience influences purchasing decisions

6. One-stop shop IDV solution

- 1 Document image capture
- 1 Document assessment
- 1 Document data extraction
- 1 Selfie image capture (with checks to eliminate a presentation attack)
- 1 Face comparison

1/3 of organizations worldwide express a demand for a single-vendor solution.

Regula Offering - Complete IDV Process

Identity Document Verification

Regula Document Reader SDK

1. Capture

2. Assessment

3. Extraction

4. Verification

+

Biometric Verification

Regula Face SDK

5. Selfie Capture
and PAD

6. Comparison

7. Identification

Server-side RFID verification

Hologram detection

99% of requests processed in
less than 1 second

Automatic document type
detection

13,600 + document templates

249 countries and territories
covered

Cross-platform

Automatic authenticity checks

Retake rate close to 0%

OCR 130+ languages
supported

User-friendly UI, great UX

7. IDV flexibility and customization

1 Customized IDV solution to meet unique requirements

2 Speed of deployment

3 Ease of integration

4 Availability of human and technical resources

40% of organizations identify the complexity of the technology as a major barrier to deploying IDV solutions.

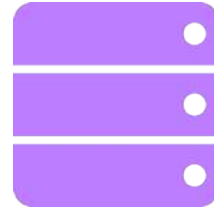
Regula solution - Easy integration and customization

For online and offline ID verification

- Mobile applications:
iOS/Android/cross-platform frameworks supported
- Web applications
- Passport readers
- Server-based:
Linux/Windows/Docker packages are available for service distribution



Regula solutions work cross-platform



8. Digital ID is next?

Forrester and Regula research

Regula & FORRESTER®

How would you rate your organization's **awareness and understanding of digital IDs?**

In the next 3 to 5 years, how do you foresee the relevance and **necessity of physical document verification?**

How far along is your organization in **digital ID strategy implementation?**

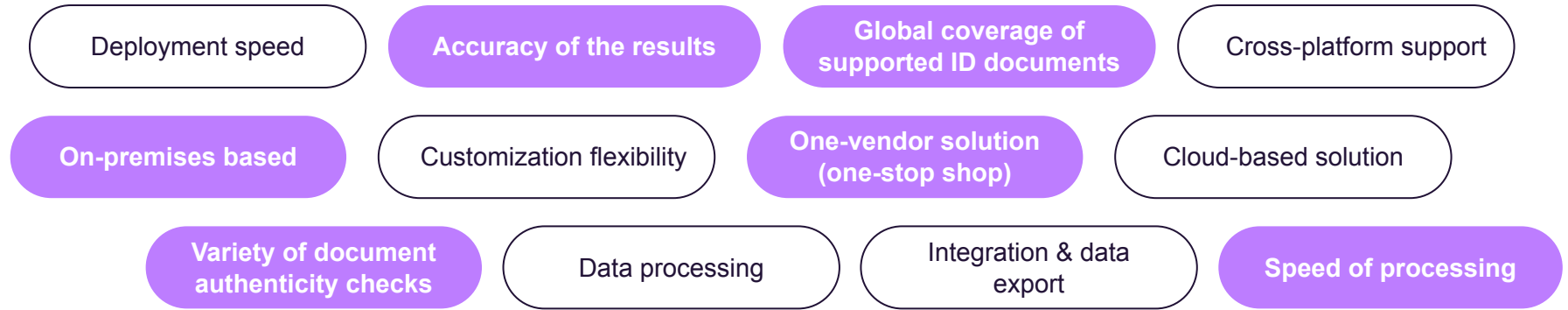
How do you expect the adoption of **digital IDs to impact your organization's revenue?**

What do you consider the most significant **negative impact of digital ID adoption?**

IDV market demise: Is it coming?

Stay tuned for insights

The Most Important Considerations for Choosing a Document Verification Solution



Q: Which of the following are most important when choosing a document verification solution?

Does your IDV solution
comply with key trends?



Assessing Document Authenticity Remains an Opaque Process

The two pillars of identity verification:
Document authenticity and biometric liveness checks

Source: Gartner Market Guide for Identity Verification

Identity verification can be
fraudless & seamless, if it's
built on diverse expertise

Are you still willing to
compromise on quality
and price?



Thank you!

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Regula

Decades of Forensics for Seamless Identity Verification.
Bringing together 31 years experience in forensics, border control
and business, to create industry standards to trust and follow.

