

# Community Meeting (November 28, 2018): Addressing Institutional Barriers to Access in Financial Systems

## Description

Presenters: Kris Coward

An estimated 1.7 billion people lack access to financial services through traditional banking systems, often due to systemic barriers such as having to meet identification requirements (while living in a jurisdiction without an adequately functioning civil society to issue the necessary identification). Cryptocurrencies have been touted as possible solution, but introduce their own barriers to access, as well as suffering from barriers between crypto-finance and traditional finance. These barriers will be examined, as well as technical and policy measures that can help remove them.

[Video Recording](#)

## Notes

- global unbanked population is about 1.7 Billion people
- some obstacles to getting the unbanked population into traditional banking structures
  - security goals (because of money laundering, terrorism, and etc.)
    - need to allow unbanked populations to participate without allowing the illicit activity that we want to avoid.
  - many people do not have "official" documentation/identification e.g. birth certificates, driver's license, passport, etc.
    - without ID, the bank is unable to verify them
- Issues with the blockchain
  - not user friendly
  - passing information/wealth between blockchain and traditional institutions
    - Shyft's cryptocurrency introduces identity, compliance, usability, anti-fraud/anti-theft
      - will use a system of public key technology
        - the is an improvement because it provides a zero knowledge proof of ID as opposed to typical systems that require full knowledge of your ID that can subsequently be used to pretend to be you at other checks.
        - high trust sources (e.g. banks, governments, utility companies, etc) will sign off on your ID.
- **Shyft** is trying to create a system of financial identification
  - even the banked population can benefit. For example a financial record that can travel with you across borders in a way that a credit score couldn't.
  - reputation system based on paths of trust
- Rollout
  - will start with bankable population before moving on to others
  - this will help with making sure the system is a good system
  - will help financial institutions get on board
- Public key technologies
  - certificate authority
    - similar to certificates used to identify websites
    - if a key has been revoked, it is up to the "user" to determine that
  - pgp model - web of trust
    - signed off by friends or other known entities