

THAI CABINET APPROVES DIGITAL ID BILL

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In September 2018, the Thai Cabinet approved in principle the draft Digital Identification Act (“**Digital ID Bill**”). The Digital ID Bill is significant to digital commerce in Thailand as it proposes to develop a digital identification platform (“**Platform**”) to facilitate the authentication and verification of a citizen’s Digital ID. If enacted, it is likely to assist a number of sectors—such as government, banking, and healthcare—transform the way they offer services and conduct transactions. For example, it will enable banks using the Platform to offer a person the method of opening a bank account or applying for finance online via smartphone or device by verifying their Digital ID with a digital identification provider (“**IDP**”), instead of having to physically attend at a branch.

To become an IDP under the Digital ID Bill, a company must first obtain a license from the Minister of Digital Economy and Society. In addition, a committee will be set up to set terms, methods and conditions for businesses using the Platform and to monitor IDPs.



Anticipated Benefits

The Ministry of Finance anticipates that the Digital ID Bill will benefit both the public and private sectors by reducing the cost of operations and expediting transactions and services that require a person’s identification to be verified. The Thai government also anticipates that the Platform will contribute to the development of Thailand’s digital infrastructure and promote Thailand’s digital economy and society.

As the Digital ID Bill facilitates personal identification verification and authentication via the Platform, a person would no longer be required to physically attend the premises of an entity using the Platform (such as a bank or government department) to submit copies of personal identification documents for identification verification purposes.

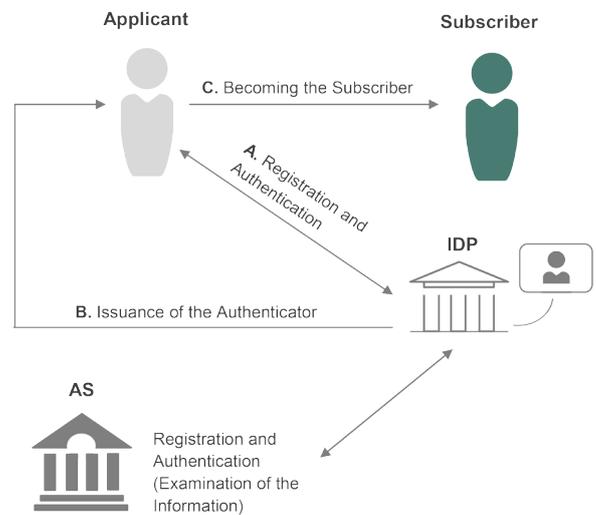
Anticipated Risks

As other proposed draft digital laws, including the draft Cyber Security Act and draft Personal Data Protection Act, are currently under review, it is not clear at this draft stage how the Digital ID Bill, if enacted, will impact on cybersecurity, privacy and personal data protection in Thailand. However, measures taken to prevent and mitigate cybersecurity risks in relation to the Platform and risk of privacy breaches—likely to be addressed in subordinate legislation if the Digital ID Bill is passed, as well as in the terms, methods and conditions set up by the relevant committee under the Digital ID Bill—will need to be closely considered.

Process of Applying for a Digital ID

Under the Digital ID Bill, the process of applying for a Digital ID is as follows:

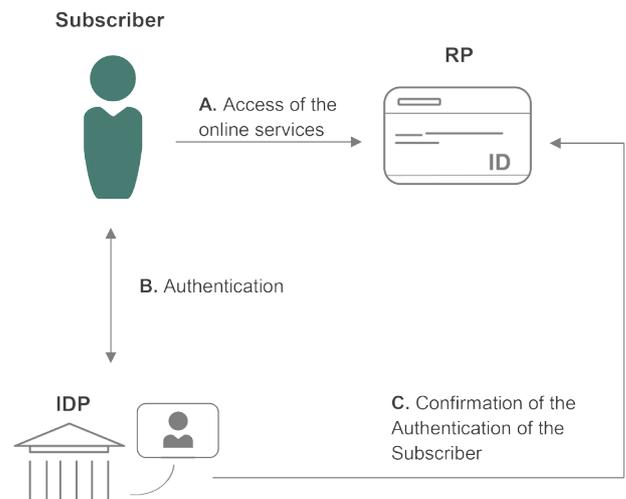
- The applicant must submit the application for enrolment and identity verification to the IDP.
- IDP will register and verify the identity of the applicant to the extent of the identity assurance level (“IAL”). The proof of the applicant’s identity can also be examined by the Authoritative Source (“AS”).
- If the identity of the applicant meets the relevant authentication criteria, the applicant will be registered and become a Subscriber. A Subscriber will receive the authenticator for use in the process of authentication with the IDP.



Process of authentication

Under the Digital ID Bill, the process of authentication is as follows:

- When a Subscriber accesses online services or transactions with the Relaying Party (“RP”) by using the Digital ID, the Subscriber will request the IDP to confirm the Subscriber’s Digital ID to the RP. Upon the RP’s satisfaction, RP will connect the Subscriber for access to the relevant online services or transactions.



The authenticator can be authenticated by single-factor authentication or multi-factor authentication. However, the safety of the authentication system depends on the ability of the protection by the IDP. The authentication factor can be divided in 3 categories:

- (1) Something You Know: such as Password and PIN;
- (2) Something You Have: such as Private Key;
- (3) Something You Are: such as biometric information of the Subscriber, i.e. finger print, facial recognition, voice, etc.

E-Registration System

The e-registration system developed by the Department of Business Development is a similar concept to that proposed under the Digital ID Bill. Under the e-registration system, the promoters or directors of companies who wish to file online applications must apply for a digital signature. After obtaining a digital signature, the director is able to file an application via e-registration system remotely by computer, removing the need to travel to the registration office.

The Digital ID Bill is now subject to review and amendment by the National Legislative Assembly.

We will keep you updated on further developments.

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