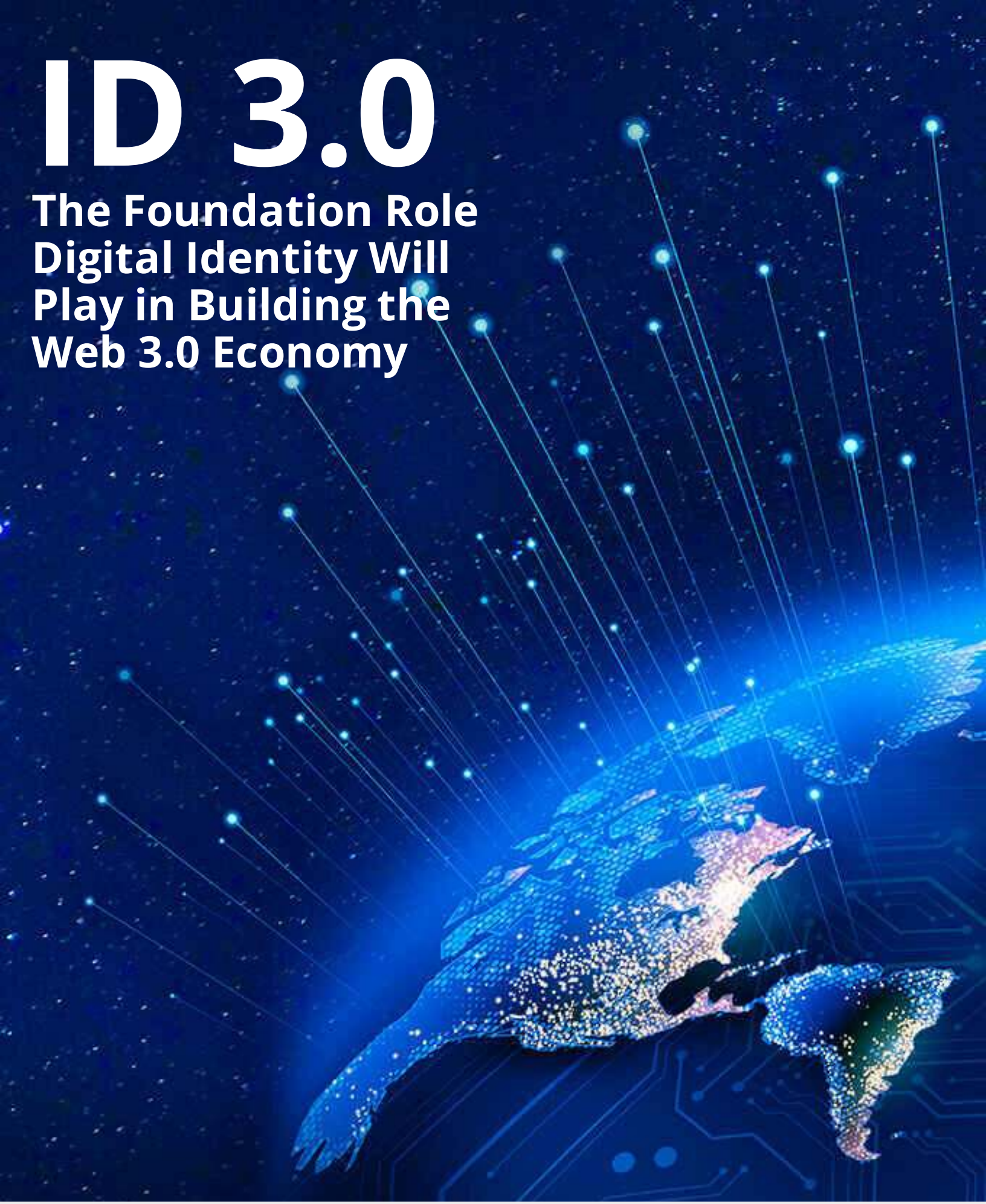
# ID 3.0

## The Foundation Role Digital Identity Will Play in Building the Web 3.0 Economy



DigitalID.services

# Decentralized Digital Identity - Foundation for the Web 3.0 Economy

## VentureBeat examines the role that Digital Identity will play in enabling the Web 3.0 economy.

They explore example scenarios of Web 3.0 digital business models and the different permutations of Identity architecture that may evolve to facilitate them.

Dock provides this very helpful introductory primer, Web 3 Identity Beginners Guide, where they define the core tenets of to be:

- Users can control their own data and information and they are not reliant on centralized institutions such as governments or corporations.
- Built on the principles of privacy, security, and freedom.
- Users can create digital identities that are linked to their real-world identities or choose to remain anonymous.

Bain documents a detailed analysis of the landscape: Web3 Could Rewrite the Rules of User Identity, summarizing the trend and how organizations like JPMorgan, Nike, Google, and Disney are pioneering it's future.

A commonly agreed architecture principle is that identity will be decentralized. Idenhaus says this will revolutionize Web 3.0.

At it's core is the 'DID' specification from the W3c – Decentralized Identifiers.

*"In contrast to typical, federated identifiers, DIDs have been designed so that they may be decoupled from centralized registries, identity providers, and certificate authorities."*

The Decentralized Identity Foundation exists to advance the interests of the decentralized identity community, including performing research and development to advance "pre-competitive" technical foundations towards established interoperable, global standards.

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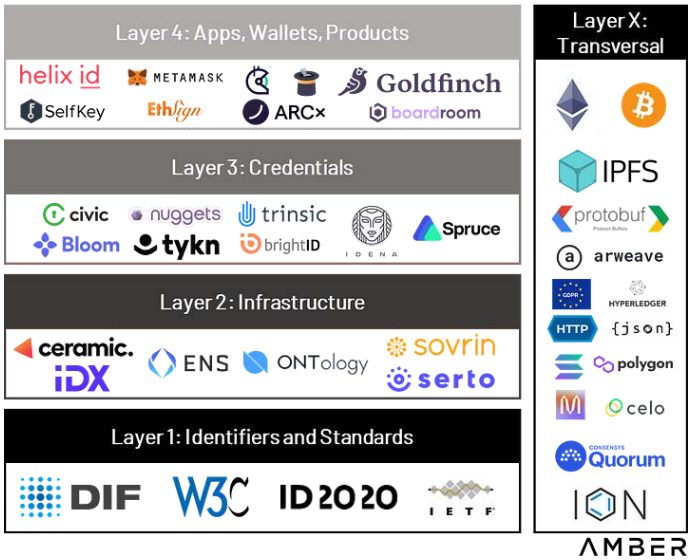
Manu Sporny, an Editor of the DID standard, gave this talk where he explains the core mechanics including the implementation through 'Verifiable Credentials'. Homan Farahmand, VP analyst at Gartner discusses how this is disrupting the traditional identity and access management (IAM) market through a shared trust model, protocol-based controls, and decentralized data exchange.

The Amber Group shares this comprehensive overview of decentralized identity and it's foundation role for Web 3.0, including documenting the four layers it is comprised of, based on the DIF's 4-Layer Identity Model.




This ecosystem will foster a number of related component part innovations, such as Decentralized PKI and Anonymous Credentials for example. Amber highlights how developments will manifest in the immediate and adapt as it progresses, such as how Goldfinch uses proprietary unique entity checks but aims to leverage decentralized ID solutions when they mature.

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Speaking at the Hyperledger Global Forum a panel of leading experts featuring Heather Dahl, Kaliya Young, Marie Wallace and Drummond Reed discuss a synopsis of the current state of adoption by enterprises and customers and what's required to tip the market to ecosystem acceptance.

## Digital Wallets

As the stack demonstrates the most visible element to end users will be the digital wallets they use to store credentials and other identity services. The Bain article says:

*"These wallets act as unified bank accounts and digital passports that have the potential to change how users connect with applications by offering universal sign-in capabilities."*

The OpenWallet Foundation is a consortium of companies and non-profit organisations collaborating to drive global adoption of open, secure and interoperable digital wallet solutions. In this webinar they explore the Future of Digital Wallets.

From money to credentials for identity, academic achievements or your driver's license, information is manifesting itself as digital tokens requiring secure and interoperable infrastructure as never before. Part of that infrastructure is specific to custody; consequently, the development of secure wallet architecture is as vital as the development of the digital assets themselves.

Sectors like banking and crypto where mobile apps and wallets are already well established will likely play an early and formative role in their broader adoption, an intersection explored in this webinar, where VISA and Signicat discussed the rapidly changing landscape of payments and identity.

## Blockchain

It's also commonly agreed that the Blockchain will play a foundational role in the development of Web 3.0 Identity.

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The Global Blockchain Business Council offers this expert panel talk explaining the general role the Blockchain will play in enabling Web 3.0. Speakers from Filecoin, Boson Protocol and Tokens.com describe how Blockchain has the potential to be a driving force as we shift into a web 3.0 world, powering solutions and infrastructures through which we will reimagine the way we envision identity, commerce, and more.

The World Blockchain Summit shares this talk from Tunji Durodola, Founder/Executive Chairman of UrbanID Global, on Building A Secure And Decentralized Identity Management Ecosystem.

An especially powerful innovation is the role for Blockchain infrastructure to provide an Identity function. For example Ethereum co-founder Vitalik Buterin describes soulbound tokens as non-transferable NFTs that can help represent a person's identity and achievements in Web3.

Another key development is the Ethereum Name Service (ENS), a distributed, open, and extensible naming system based on the Ethereum blockchain. ENS Domains explains:

*"ENS has similar goals to DNS, the Internet's Domain Name Service, but has significantly different architecture due to the capabilities and constraints provided by the Ethereum blockchain. Like DNS, ENS operates on a system of dot-separated hierarchical names called domains, with the owner of a domain having full control over subdomains.*

*Top-level domains, like '.eth' and '.test', are owned by smart contracts called registrars, which specify rules governing the allocation of their subdomains. Anyone may, by following the rules imposed by these registrar contracts, obtain ownership of a domain for their own use. ENS also supports importing in DNS names already owned by the user for use on ENS."*

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In conclusion a flagship example of a business pioneering all of these trends is Onyx by JP Morgan. Formed in 2020, Onyx has pioneered the world's first bank-led blockchain platform for the exchange of value, information and digital assets.

Onyx executives Tyrone Lobban and George Kassis, published this report: **Digital Identity – Assessing Web3's Identity Building Blocks**
, which provides an excellent summary of all of these concepts and how they have informed JP Morgan's Web 3.0 market strategy.