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VIDA, B20: Digital identity provides ease of access to digital finance for MSMEs

Consumer-oriented digital identity technology enhances security and inclusive digital economies

Jakarta, October 25, 2022 – Public trust in digital security is the key to inclusive digital economic growth. One of the pillars supporting digital trust is digital identity technology, which not only secures and provides complete control over the data privacy of its users but also becomes the entrance to the digital ecosystem. This was conveyed by the ranks of the B20 Indonesia Digitization Task Force at the “**B20 Digital ID Workshop: Scaling Trust in the Digital World**” panel discussion, which was held as part of the G20 Indonesia Presidency by the B20 Secretariat, the Indonesian Ministry of Communication and Information Technology (Kominfo), and VIDA as the leading digital identity provider in Indonesia.

In his remarks, **the Minister of Cooperatives and SMEs of the Republic of Indonesia, Teten Masduki**, said, *“Digitalization certainly helps MSMEs increase competitiveness, grow, and become the foundation for Indonesia to optimize its economic potential. We predict that our digital economy will reach around US\$146 billion, the largest in Southeast Asia, by 2025. Digital trust is very important in the digital onboarding process so that it can prevent misuse, data fraud, and others. The government itself is preparing a digital economic policy to protect domestic industries, MSMEs, and consumers. Digitalization also accelerates financial inclusion so that MSMEs can get real benefits such as easier access to finance and a better understanding of digital literacy.”*

Concurring this, **Imansyah, Deputy Commissioner of the OJK Institute and Digital Finance of the Financial Services Authority (OJK)**, who were also present at the event, highlighted the role of digital identity providers in realizing digital financial inclusion. *“With technology, face-to-face contact is not needed. This includes fintech, which provides convenience in terms of digital financial innovation. On the other hand, in the 21st century, OJK seeks to carry out its supervisory function by continuously paying attention to innovation. This is where VIDA can take part with its innovations, assisting OJK in this task through an innovative digital ecosystem and strengthening public trust. There is a need to strike a balance between innovation and risk, with consumer protection wrapping it all up,”* he said.

In increasing public digital trust, digital identity and its responsible management play an important role in providing a sense of security to the public so that people understand that the security and confidentiality of their data is well maintained.

VIDA's Founder and Group CEO, Niki Luhur, who represented the **B20 Indonesia Digitization Task Force**, explained, *“To present a strong digital identity system with responsible management, industry players such as [VIDA](#) understand the importance of implementing global standards and best practices, or even beyond compliance standards. One of them is biometric technology that offers a higher level of security than just a password or PIN. This is where digital identity plays a role in protecting users from [the risk of cyber crime](#) and creating a safer digital ecosystem. In addition, as a digital trust provider, we are principled to create digital trust solutions that are user-oriented and easily accessible by anyone.”*

Niki also added how these technologies will accelerate digitization for underserved communities, in accordance with one of the recommendations from the digitization task force, which is to encourage universal connectivity through participation in the digital economy and government services.

Echoing this, **the Director General of Information Applications at the Ministry of Communication and Information Technology (Kominfo), Samuel A. Pangerapan**, said in his remarks, *“The benefits of digital identity for state governance are, first, enabling inclusivity because people can access social, health, financial, and other government services. Second is increased savings through data interoperability*

because valid digital identities can be used in cross-sectoral and cross-border transactions. Third is minimized potential for identity fraud because of the multiple criteria to verify a person's digital identity, such as through unique customer codes, passwords, and biometric characteristics."

Digital Identity Minimizes Cyber Crime Risk

In his speech, **Air Rear Marshal Dr. Arif Mustofa, M.M, Deputy VII for Coordination of Communication, Information and Apparatus at the Coordinating Ministry for Political, Legal, and Security Affairs (Kemenko Polhukam)**, said, "Digital industry players must be able to guarantee the security of user data because this will enhance the positive impact on industry sustainability, especially with public trust in electronic services and systems. Cooperation between the government and businesses is very much needed in relation to the development of digital platforms that are convenient and can protect citizens' data and increase the ease of public access to financial, health, education, and government services electronically. Of course, this requires clear interoperability standards to ensure as many accessible and inclusive services as possible."

Paolo Kartadjoemena, Deputy Chair of the B20 Indonesia Integrity and Compliance Task Force, who was also present at the event, agreed that the application of digital identity can maximize data security and minimize the risk of cyber crime. This is considering that the risk of data theft is rife today and that data can be misused by any irresponsible parties. "This is why it is so important to build a cybersecurity infrastructure that allows businesses of all sizes to participate in the digital economy. Having a digital verification method that is fast, efficient, and reliable becomes the building blocks in this. Cybersecurity is not only a technology issue but also a business issue," said Paolo.

Yudi Hamka, President Director of PT MNC Kapital Indonesia and CTO of MNC Group, highlighted that digital identity enhances digital inclusion. "Digital identity helps increase digital inclusion in four ways: faster, more efficient, safer, and better. For the industry, digital identity in apps not only provides a fast, secure, and more efficient solution but also answers consumer needs, which leads to a better experience," he said.

The "Scaling Trust in the Digital World" panel discussion was also attended by Triyono Gani, Executive Director of the OJK Digital Financial Innovation Group; Jonathan Marskell, Senior Program Officer for the World Bank's Identification for Development (ID4D) Initiative; Yohanes Lukiman, B20 Digitalization Task Force Policy Manager; Kwok Quek Sin, Chief Digital Officer and Former Senior Director for Singapore's National Digital Identity; Davids Tjhin, Managing Director & Partner at Boston Consulting Group (BCG); Howard Nugraha Gani, CEO of Mitra Bukalapak; Joseph Georgino Godong, SEVP of Information Technology at Indonesia Financial Group (IFG); and Sati Rasuanto, CEO & Co-Founder of VIDA who also serves as Deputy Secretary General IV & Head of the Indonesian Fintech Association (AFTECH) Personal Data Protection Task Force.

About PT Indonesia Digital Identity ([VIDA](#))

PT Indonesia Digital Identity (VIDA) is a licensed Certificate Authority (CA) under the Indonesian Ministry of ICT, authorized to issue digital certificates that can be applied for digital signatures and web authentication. Established in 2018, VIDA is a digital identity network leveraging multi-factor authentication, digital signatures, and verified identities. VIDA applies world-class data security standards, including Public Key Infrastructure, facial recognition, and endpoint security to provide comprehensive cyber security solutions.

VIDA is also listed as an Digital Financial Innovation (Inovasi Keuangan Digital / IKD) registered with the OJK. The products and solutions offered by VIDA can be adopted by various sectors and industries, including the financial services industry to make it easier to verify direct customers. VIDA also believes in instilling digital trust among its users and by virtue, thus, the company has been registered under the OJK and BI regulatory sandbox.

VIDA also applies world-class technology standards that are certified and recognized internationally. The company became the first Certificate Authority (CA) company that obtained WebTrust certification and listed in the Adobe Approved Trust List (AATL) in Indonesia, and also is ISO 27001 certified.



For more information

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