



## More Regulations on the Horizon for Banks as Pandemic Exposes Security and Identity Verification Deficiencies

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*OneSpan Global Financial Regulations Report reveals coming regulations on identity verification, Open Banking, AI, cryptocurrencies and biometric authentication aimed at enabling secure, digital economies*

CHICAGO--(BUSINESS WIRE)-- OneSpan™ (NASDAQ: OSPN), the global leader in securing remote banking transactions, today released the inaugural *OneSpan Global Financial Regulations Report*. The report examines regulatory and legislative initiatives impacting financial services globally in fraud prevention, digital identity, data protection, payments, Open Banking, e-signatures and more.

Governments around the world are considering and enacting laws, policies and regulations to enable and protect digital transactions and commerce, with the global COVID-19 pandemic further increasing the focus on remote banking, telehealth and other remote alternatives for essential activities. This is in large part due to the pandemic having exposed shortcomings in the current security, data management and privacy policies of financial institutions and others. At the same time, the race to digitize the industry to keep pace with evolving customer expectations and competition is also driving rapid regulatory change.

As a result, there will likely be more data privacy and data protection laws enacted throughout the world, each bringing unique regulatory requirements for financial institutions. To help financial services leaders navigate the uncertainty, the *OneSpan Global Financial Regulations Report* includes guidance on the following trends:

- **Artificial Intelligence is under increasing scrutiny as adoption grows:** Regulators and governments worldwide are grappling with the creation of frameworks for the development and application of AI that focus on data protection and privacy, as well as the ethical and transparent use of the data.
- **Digital identities and remote account openings are gaining traction worldwide:** Regulators in Hong Kong, Pakistan, Greece, Macedonia, Mexico and Turkey approved remote bank account openings in 2020 – a clear indicator that even processes rooted in traditional face-to-face meetings in the branch are now going digital and touchless around the globe.
- **Open Banking is growing rapidly throughout the world:** As third-party providers (TPPs) are allowed to use banking information to help consumers save money, borrow more easily and pay efficiently, banks will increasingly work with TPPs. In the U.S., the Consumer Financial Protection Board (CFPB) issued an Advanced Notice of Proposed Rulemaking on consumer authorized access to financial data, which could be the catalyst for Open Banking in America.
- **Facial recognition is driving the greatest changes to banking regulations:** As banks increasingly use facial recognition technology for Identity Verification requirements, they are housing large amounts of consumer biometric data. Standards organizations such as the National Institute of Standards and Technology (NIST) and Fast IDentity Online (FIDO) Alliance are developing frameworks that could be adopted at the national level and would stipulate how banks protect and store their customers' biometric data.
- **Regulation is on the way for cryptocurrencies:** As digital banking platforms have experienced massive growth, many governments and industry bodies worldwide have begun to look to Central Bank Digital Currencies (CBDCs) and cryptocurrencies in terms of what they might add to the financial sector. This has resulted in new and refreshed conversations around the possible uses of CBDCs and cryptocurrencies.

"The COVID-19 pandemic has presented financial institutions with major economic and operational challenges and accelerated the need for digital transformation at the same time as the industry grapples with an increasingly complex global regulatory environment," said OneSpan CEO, Scott Clements. "OneSpan's inaugural *Global Financial Regulations Report* will arm banks and financial institutions with information they need to both be compliant and sustain their competitive position."

Download a copy of the full report at [www.onespan.com/resources/onespan-global-financial-regulations-report](http://www.onespan.com/resources/onespan-global-financial-regulations-report).

About OneSpan

OneSpan helps protect the world from digital fraud by establishing trust in people's identities, the devices they use and the transactions they carry out. We do this by making digital banking accessible, secure, easy and valuable. OneSpan's Trusted Identity platform and security solutions significantly reduce digital transaction fraud and enable regulatory compliance for more than 10,000 customers, including over half of the top 100 global banks. Whether through automating agreements, detecting fraud or securing financial transactions, OneSpan helps reduce costs and accelerate customer acquisition while improving the user experience. Learn more at [OneSpan.com](https://www.onespan.com).

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