Japan-EU collaboration to establish an interoperability of smart IC card system

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## Why do we need smart cards ?

#### Because we believe

 smart card will be the key device, which enables us to keep safely and efficiently our digital data or information that are indispensable for our social activities.

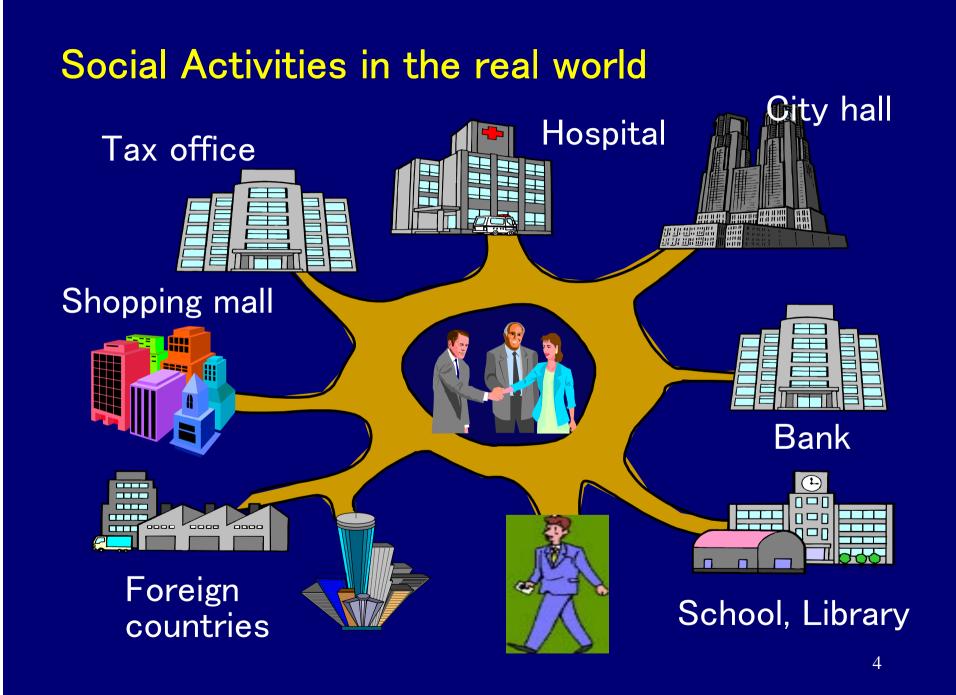
But, we do not think

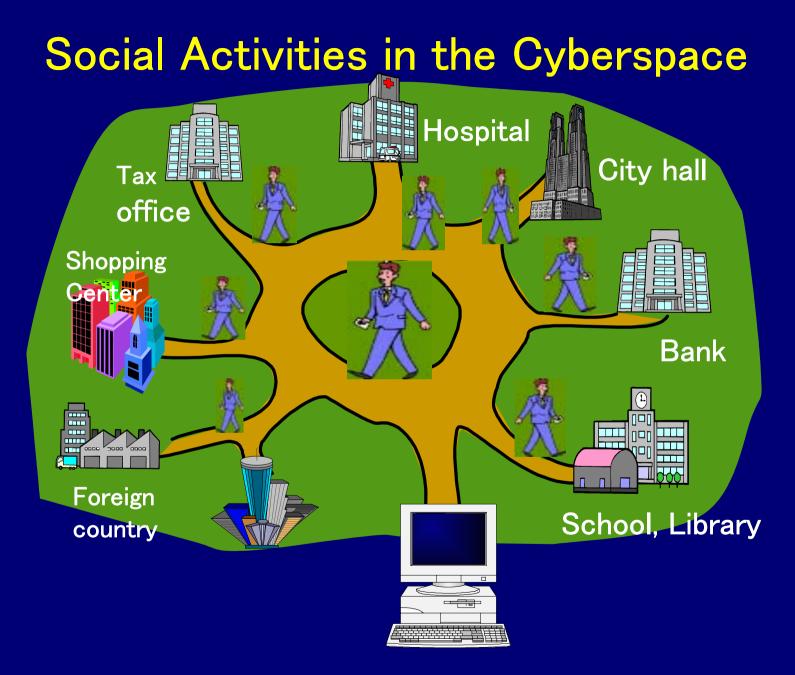
- smart card at present is infrastructure
- smart card is as convenient as mobile phone
- smart card reaches the mass production level

#### What will happen in the information society ?

\* In the information society, our social activities will be expanded into the cyberspace in addition to the real space.

\* Selection of the spaces should be definitely up to users.

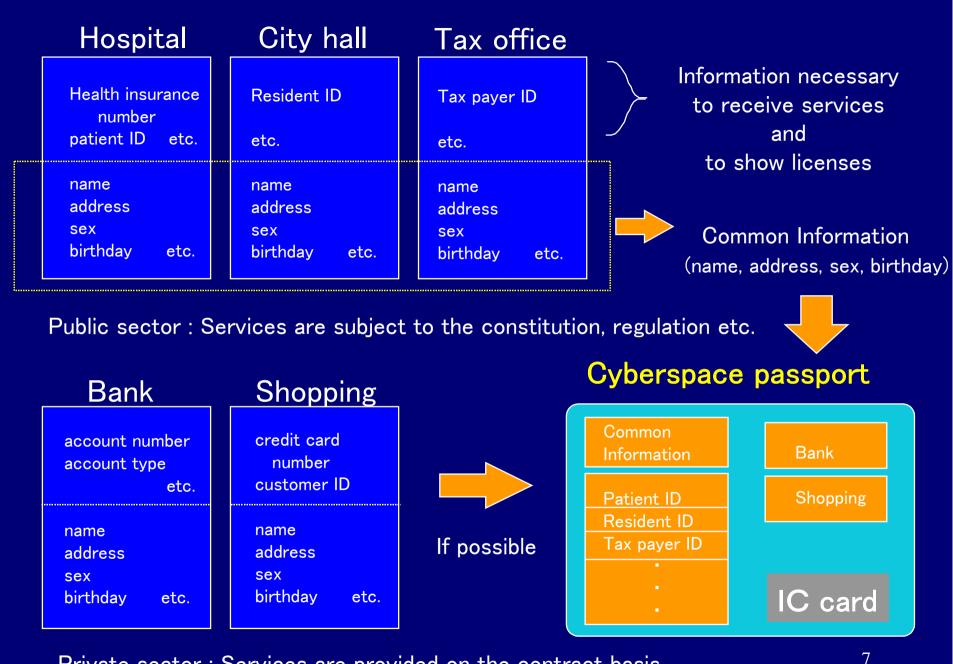




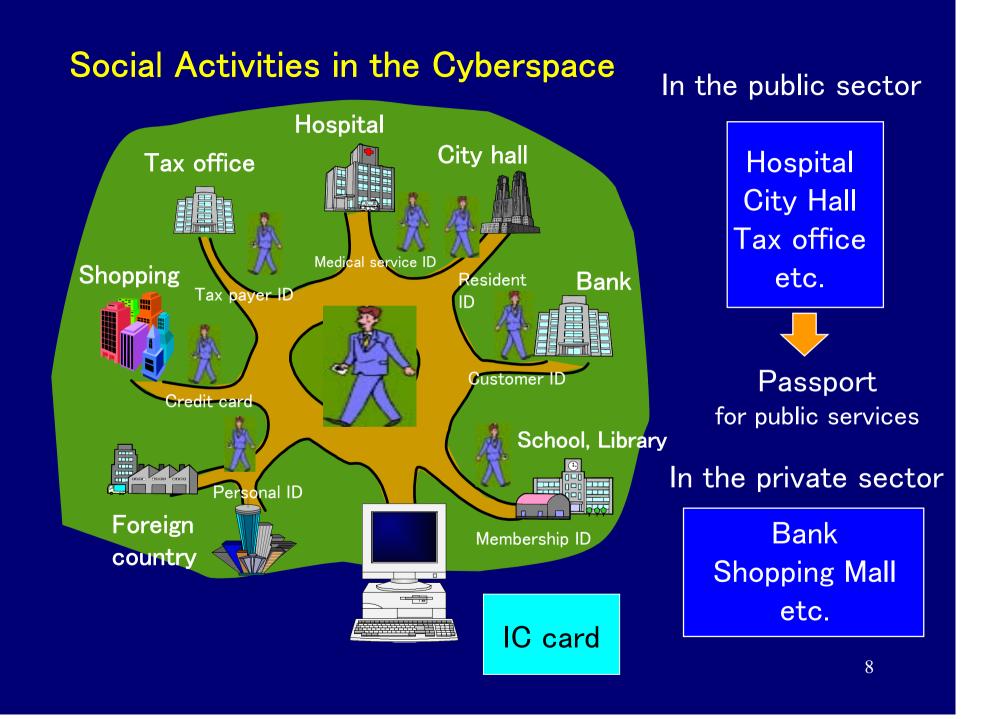
## What should we do for the information society?

- Everything that we need for social activities should be electronic so that their functions can be digitally performed.
  - Concrete object
    - Money  $\Rightarrow$  Electronic Money
    - Signature  $\Rightarrow$  Electronic signature etc.
  - Intangible asset
    - Right ; Election, medical care, etc.
    - Duty ; Tax, education, etc.
- Entry points into the cyberspace had better be everywhere.
  - Computer, Kiosk, Public phone, home electronics etc.
  - Multipurpose smart IC cards ⇒ Cyber space passport

citizenship



Private sector : Services are provided on the contract basis.



#### **Concept of Cyber-Passport**

- \* Cyber-passport is an electronic identification to be used to check the cardholder's citizenship.
- \* Cyber-passport is originally issued by the government on request when people want to receive electronic government services in the cyberspace.
- ⇒ Resident registration law has been revised
  \* Cyber-passport may also record services that the holder receives and licenses that the holder has.
  ⇒ Multiple application should be supported
  \* Cyber-passport could also support electronic signature or inkan.
  ⇒ PKI should be supported
- Note: the number of cards and the selection of the services are totally up to the user's choice

## <u>Japanese government's actions</u> <u>relating smart IC card systems</u>

- Electronic signature law from 1<sup>st</sup> of April, 2001
- Revised resident registration law from Aug., 2002
  ⇒ Personal Identification for public sector's use

 $\Rightarrow$  10-50 million people are highly expected to have smart IC card from Aug., 2003, if it becomes convenient to the card holder

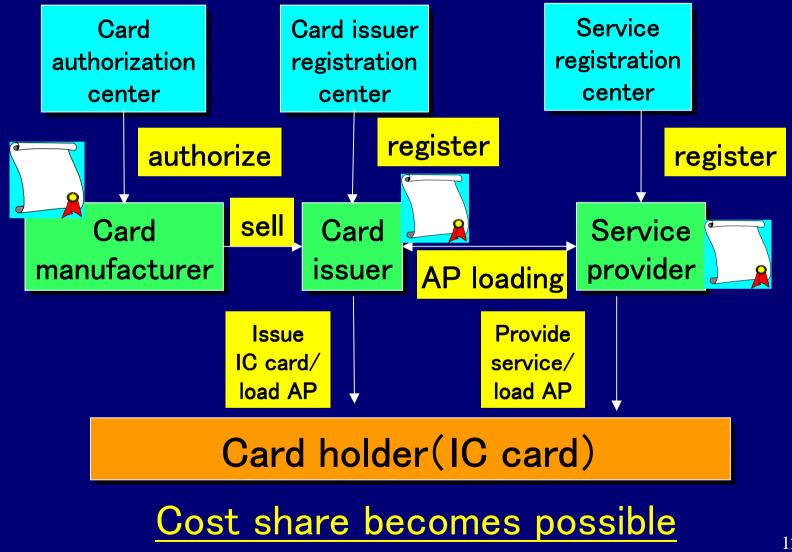
- Prior to the resident card, 1–3 million cards will be procured by the end of 2001
- Smart IC card is officially defined as an interface between e-government and individual
- Japan will procure a huge amount of smart card

## Smart card as an infrastructure

Common understandings

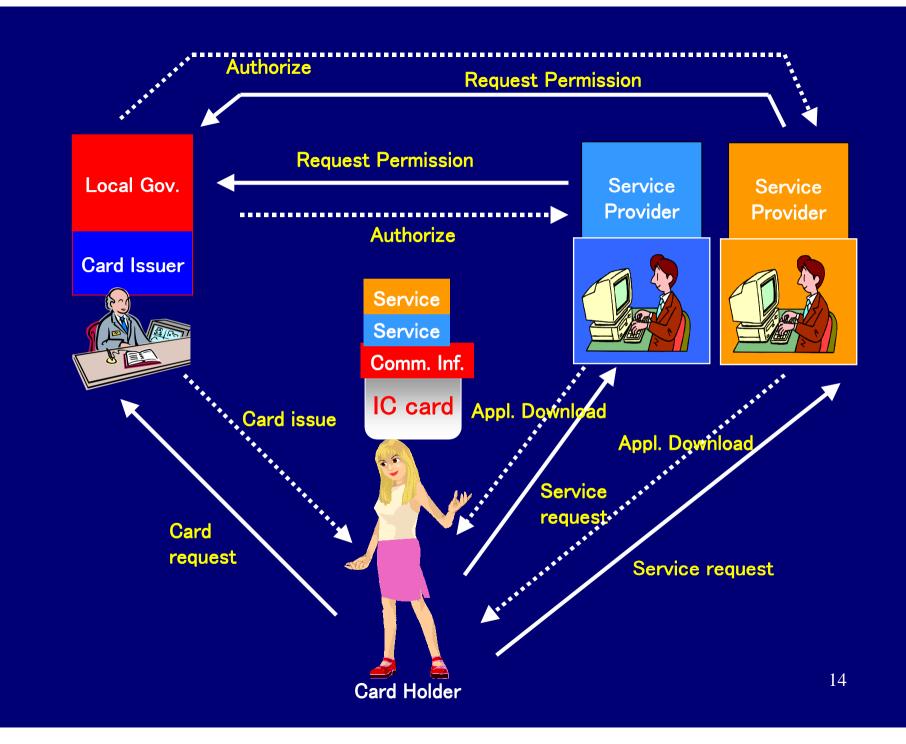
- Infrastructure is not a dedicated system
  - ⇒ Multipurpose card system
- Infrastructure should be beneficial to everybody ; user, service provider, vender, etc.
  - ⇒ Convenient, low cost by cost share
- Through the mass production we can reduce the production cost

## **Business model for Multi-application card**



### Benefits to the players

- Card Holder
  - Selection of the services –> optimized card
  - Most convenient
  - Less number of cards
- Card Issuer
  - Reimbursement of card cost
  - Card holders' satisfaction
- Service Provider
  - Reduction of the initial installation cost
  - High security card at low cost



## Requirements to the smart card system

- Multi-purpose
  - Users can select services as they want
  - The number of cards is up to the users
- Asymmetric encryption algorithm
  - Electronic signature
- Contact-less interface
  - Reduction of maintenance cost
  - Combination of different cards; Cf. ownership
    - ex. Bank card and ID card

# Requirements to the smart card system subject to government procurement (proposal)

- 1. ISO compliant
- 2. Technical neutral  $\rightarrow$  independent of CPU, OS, language
- 3. Interoperability
  - Common information ; low level interoperability as data carry use
  - Card and R/W for contact-less interface
- 4. Multi-purpose
  - Completely independent ; concept of APDU
- 5. Asymmetric encryption algorithm
  - Objective assessment ; IPA security center
- 6. High security of card, PP ; ECSEC

## Process to the procurement

- List up all possible cards by asking the venders on a voluntary basis
- Organize expert groups to meet the requirements
- Achieve laboratory test to check the interoperability
- Make a list of cards subject to the procurement
- Local government procures IC card among products in the list considering needs, price and performance such as processing speed and memory capacity

We ask a collaboration to European side in the steps 1-