



THE UNIVERSITY OF BRITISH COLUMBIA

School of Information
Faculty of Arts

Decentralized Identity
Blockchain@UBC Summer Institute

JULY 14, 2025

INTRO TO DECENTRALIZED IDENTITY



Why do we need a digital Identity?



"On the Internet, nobody knows you're a dog."

The above cartoon by Peter Steiner has been reproduced from page 61 of July 5, 1993 issue of The New Yorker, (Vol.69 (LXIX) no. 20) only for academic discussion, evaluation, research and complies with the copyright law of the United States as defined and stipulated under Title 17 U. S. Code.

Physical World



VS

Digital World



Decentralized Identity offers a way to establish the authenticity of identities and attributes about them in the digital world

Identity is Multidimensional

Relationships (you don't look to the same to everyone)

- You to Bob (sister)
- You to Acme (Employer)
- You to USA (visitor)

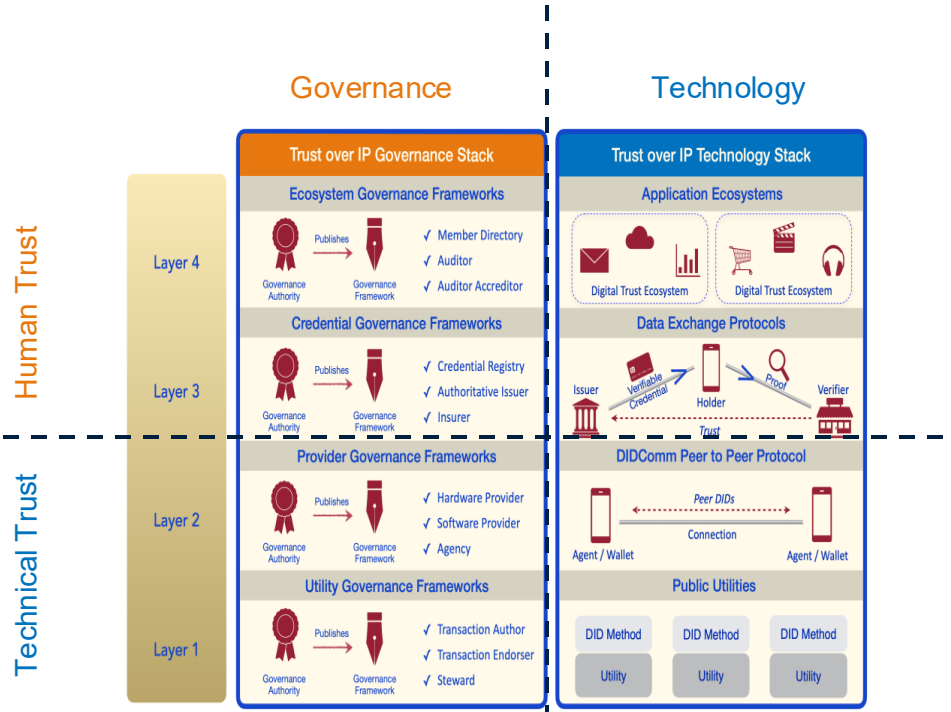
Agents (help you do things)

- Cloud agent
- iPad/notebook
- Mobile Phone

Attributes

- DoB
- Education
- Health

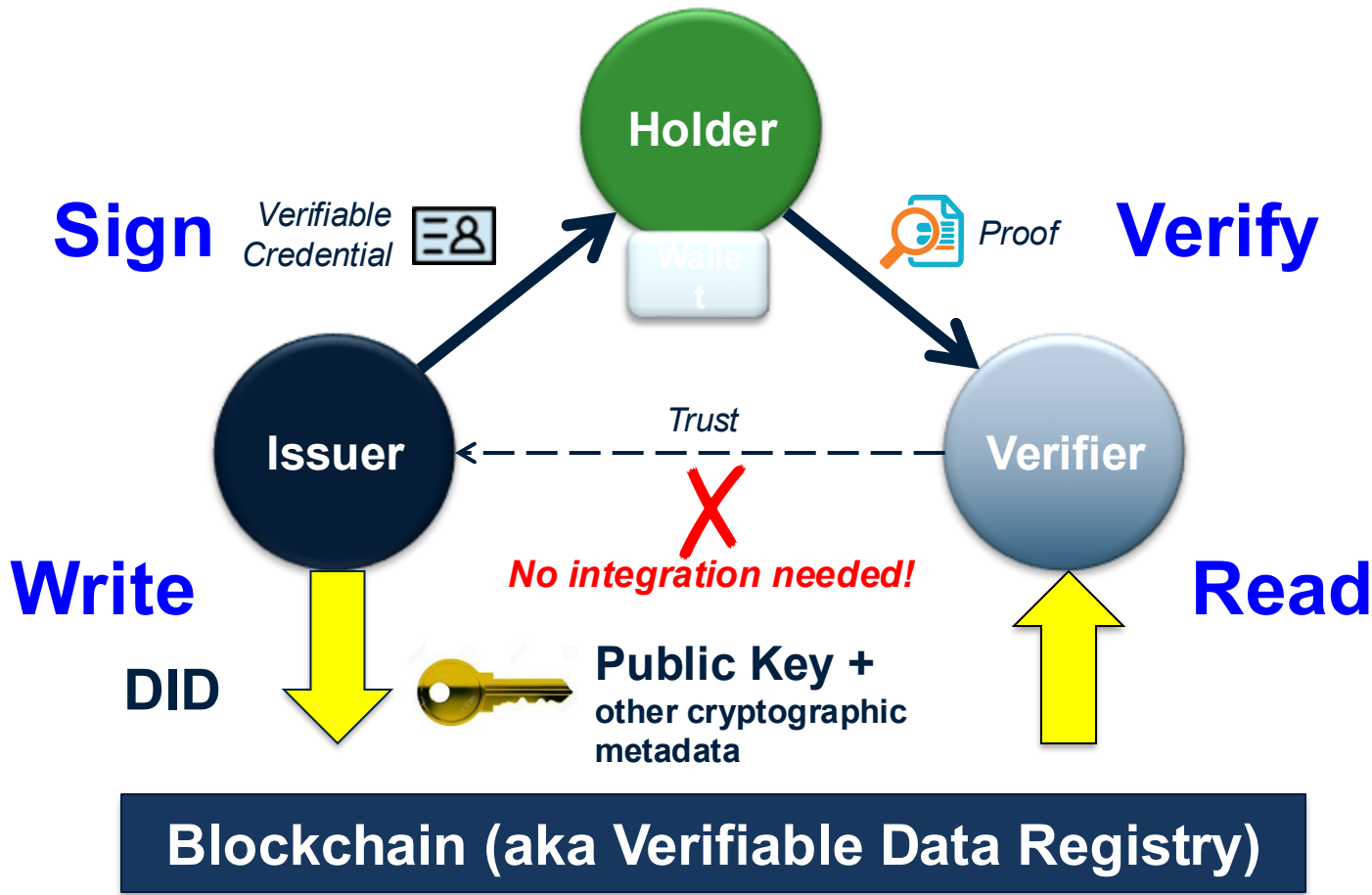
THE DECENTRALIZED IDENTITY STACK



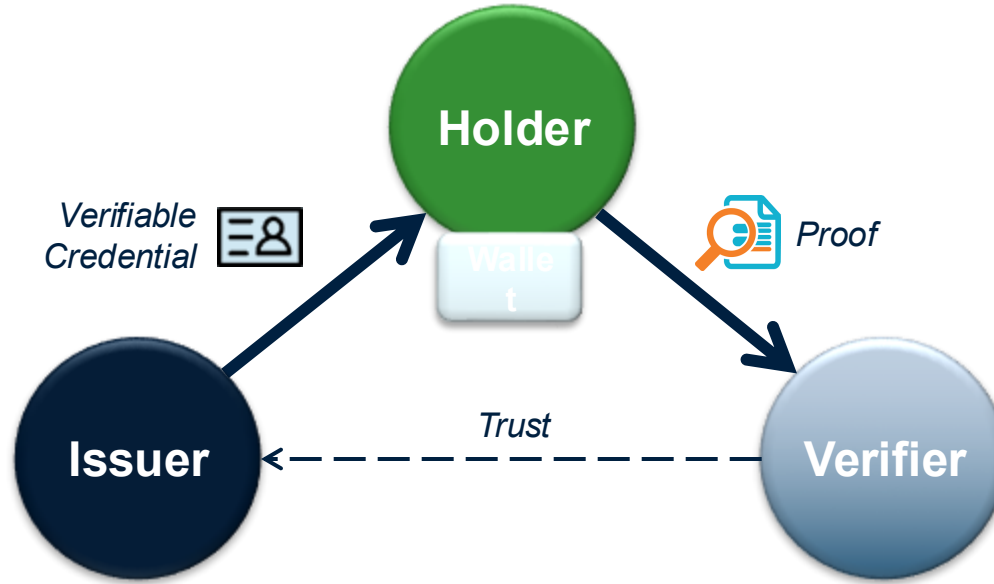
<https://trustoverip.org/wp-content/toip-model/>

- DID = Decentralized Identifiers
- DID is a unique identify – an address that someone can own
- Example:
did.eth.0x34fd234ae1998bc (did . did-method . Identifier)
- •DID is controlled by a public key infrastructure
- DID can be recorded on a verifiable registry (e.g., blockchain)
- DID can be resolved to a DID Document

How Does Decentralized Identity Work?

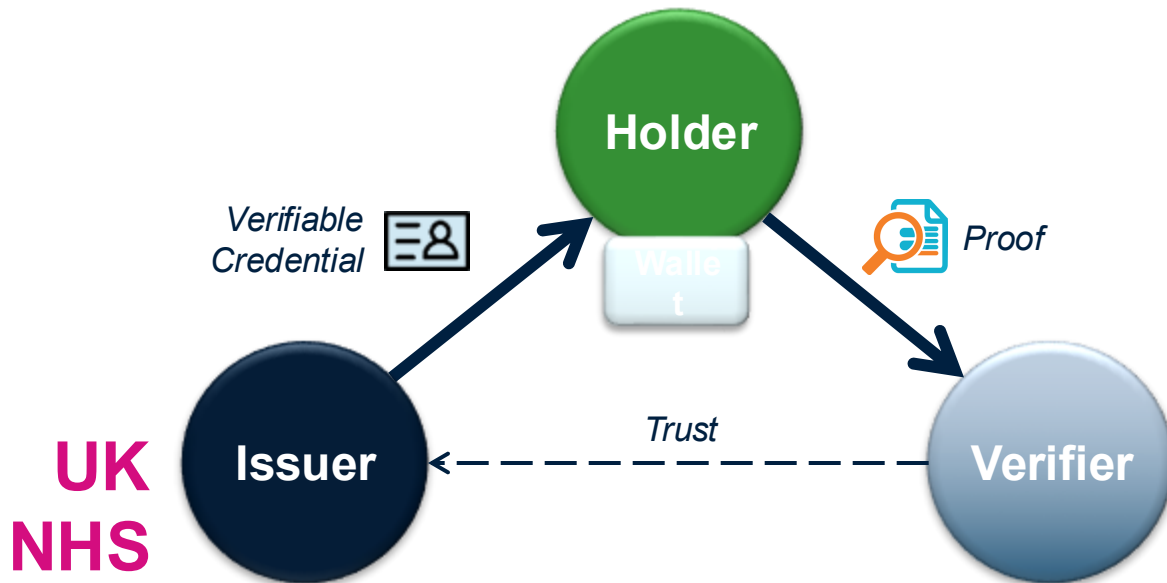


Doctor's Passport Example



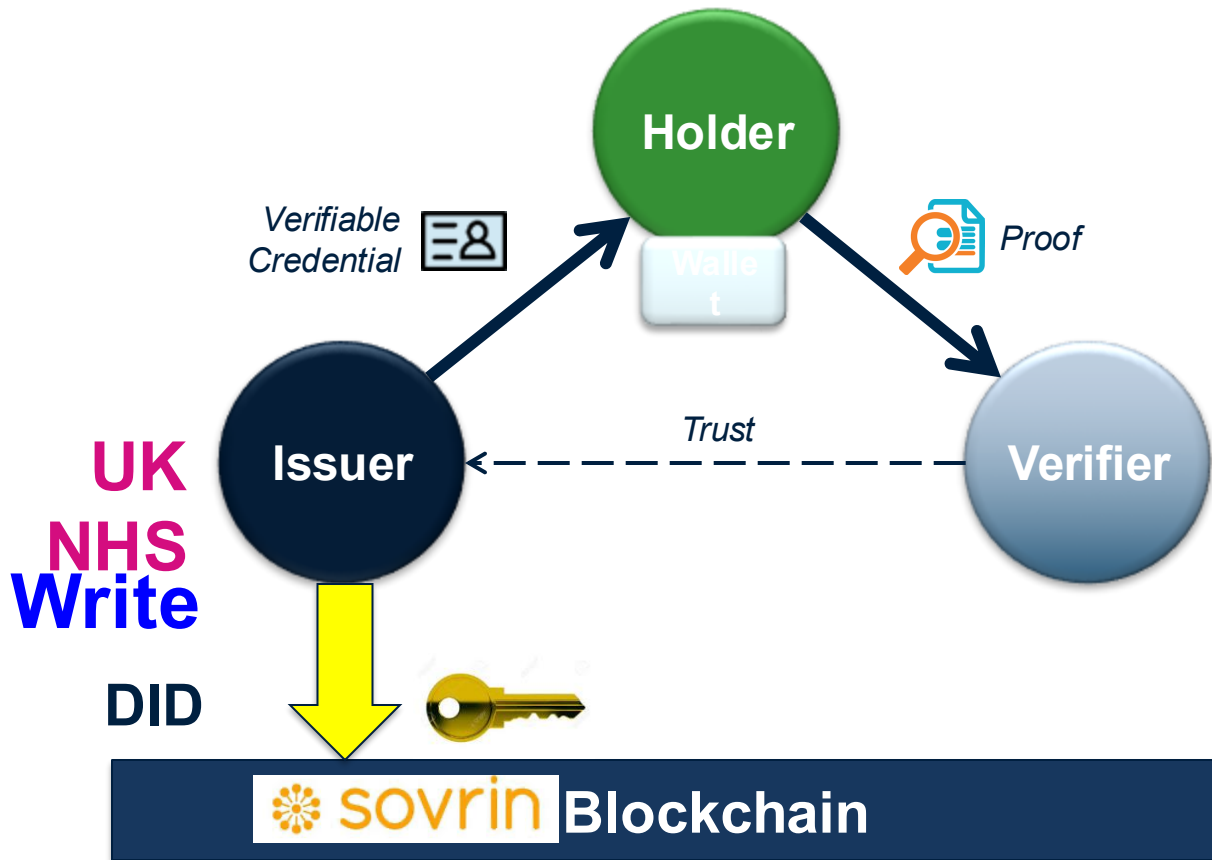
Blockchain

Doctor's Passport Example

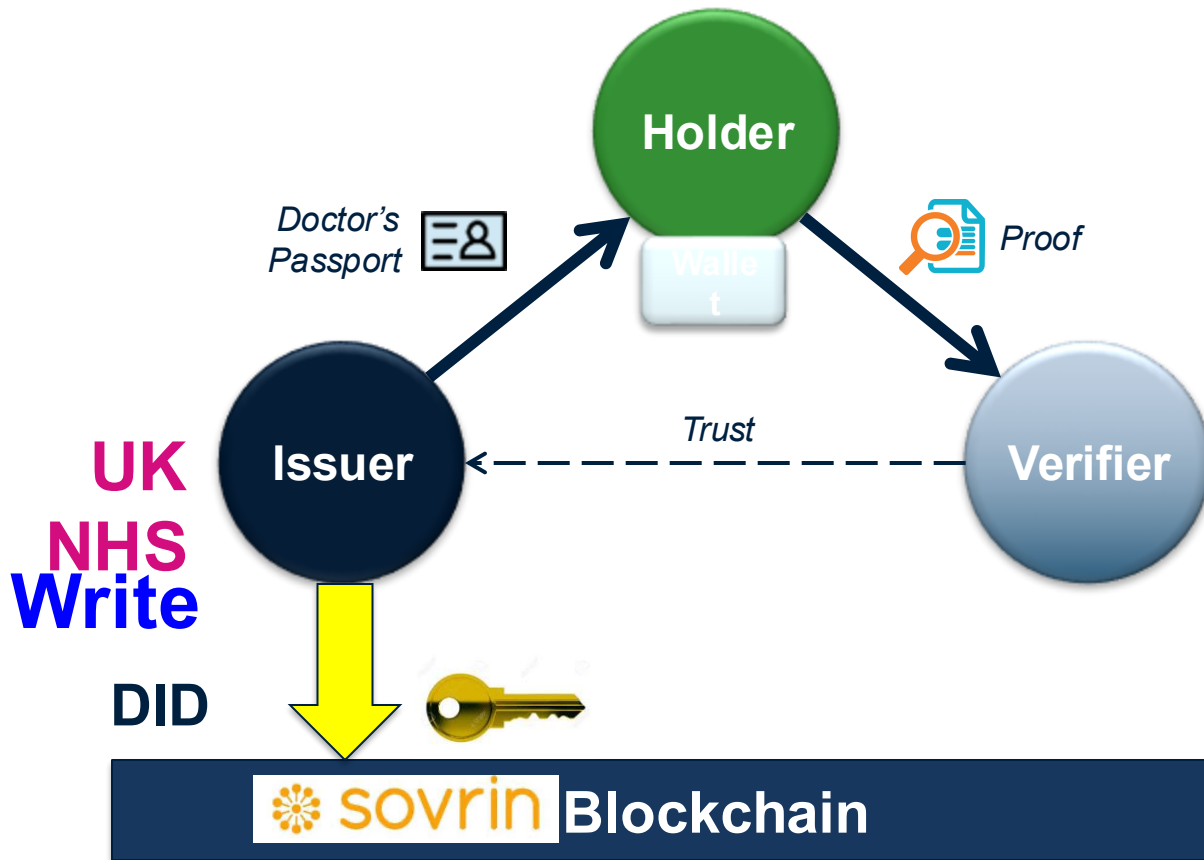


Blockchain

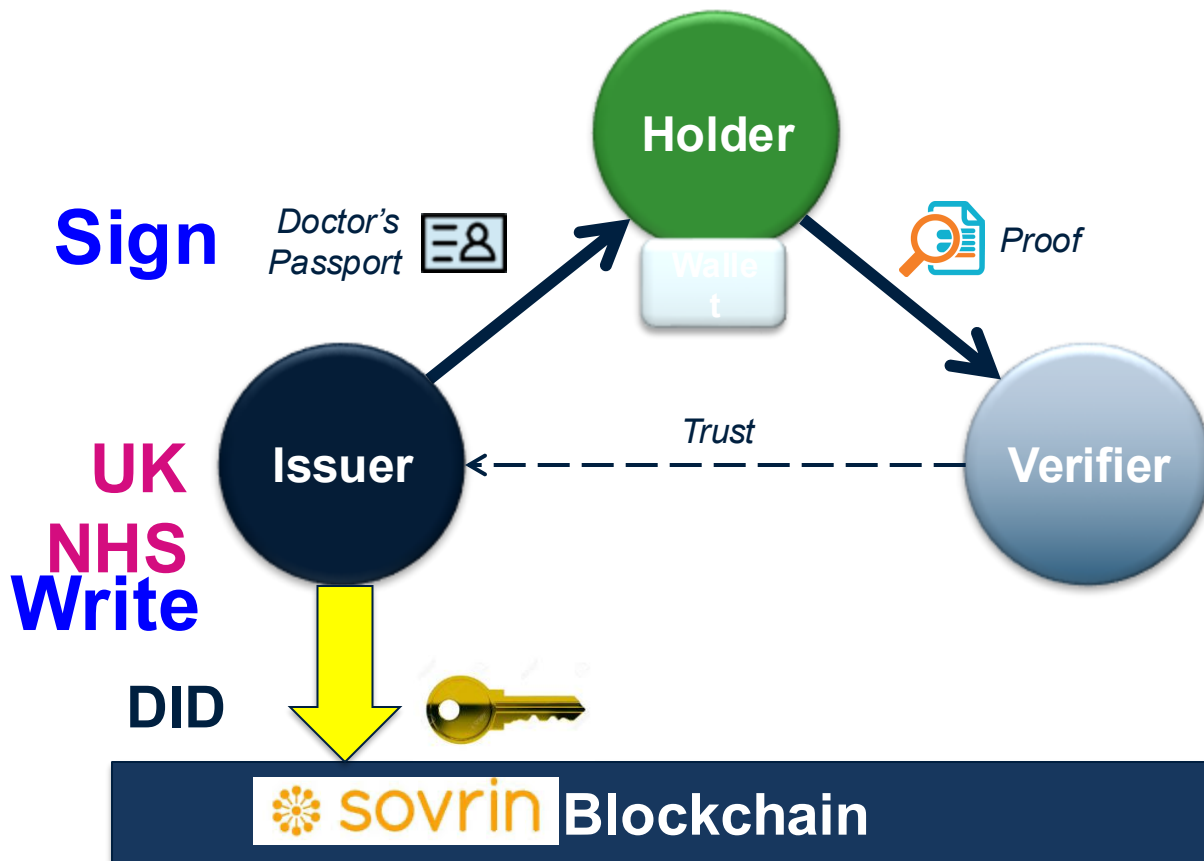
Doctor's Passport Example



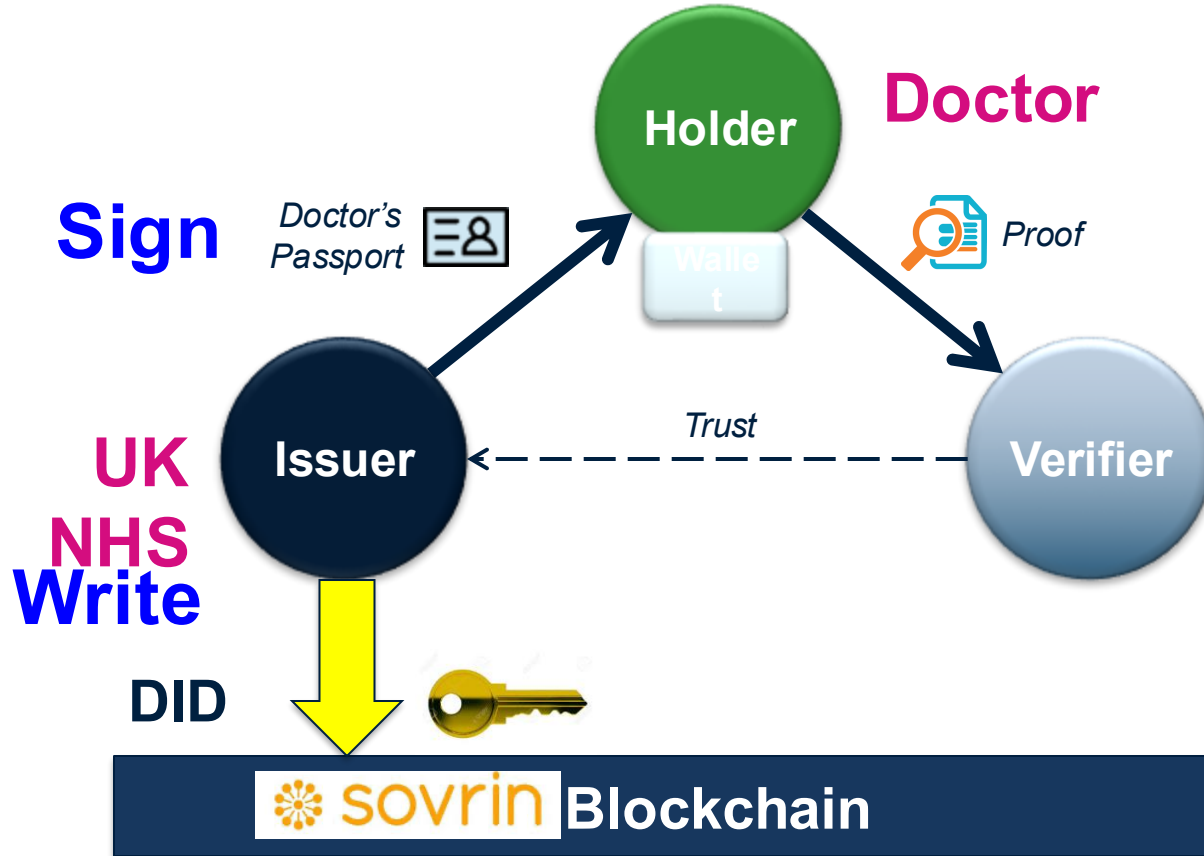
Doctor's Passport Example



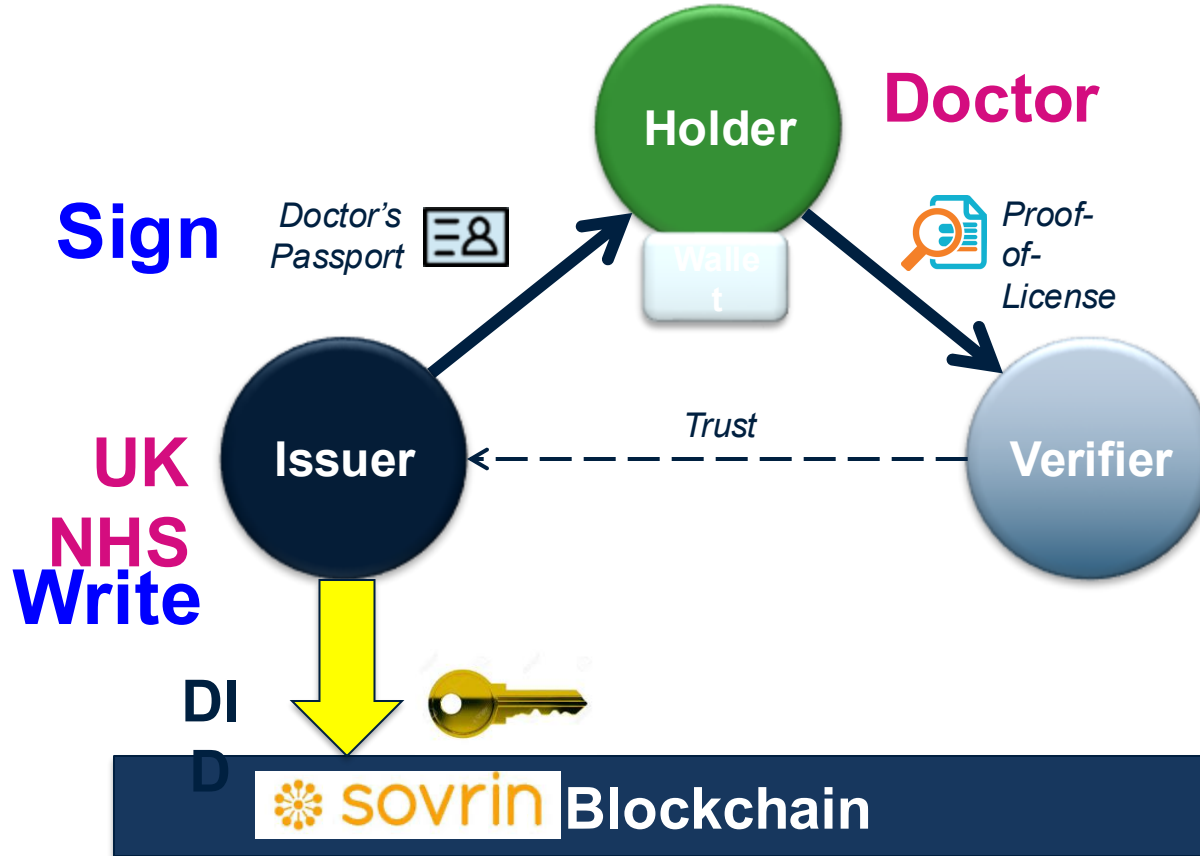
Doctor's Passport Example



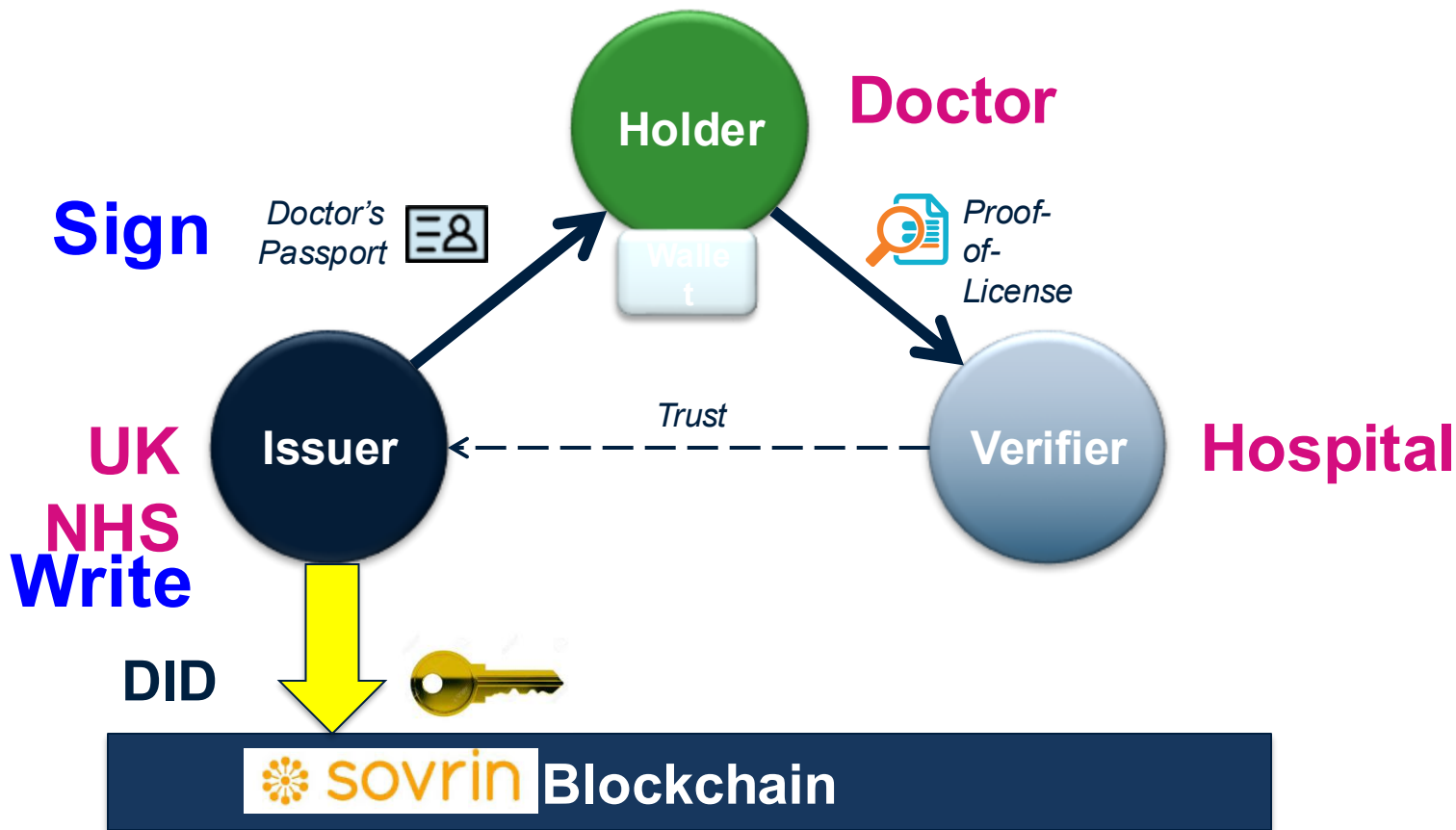
Doctor's Passport Example



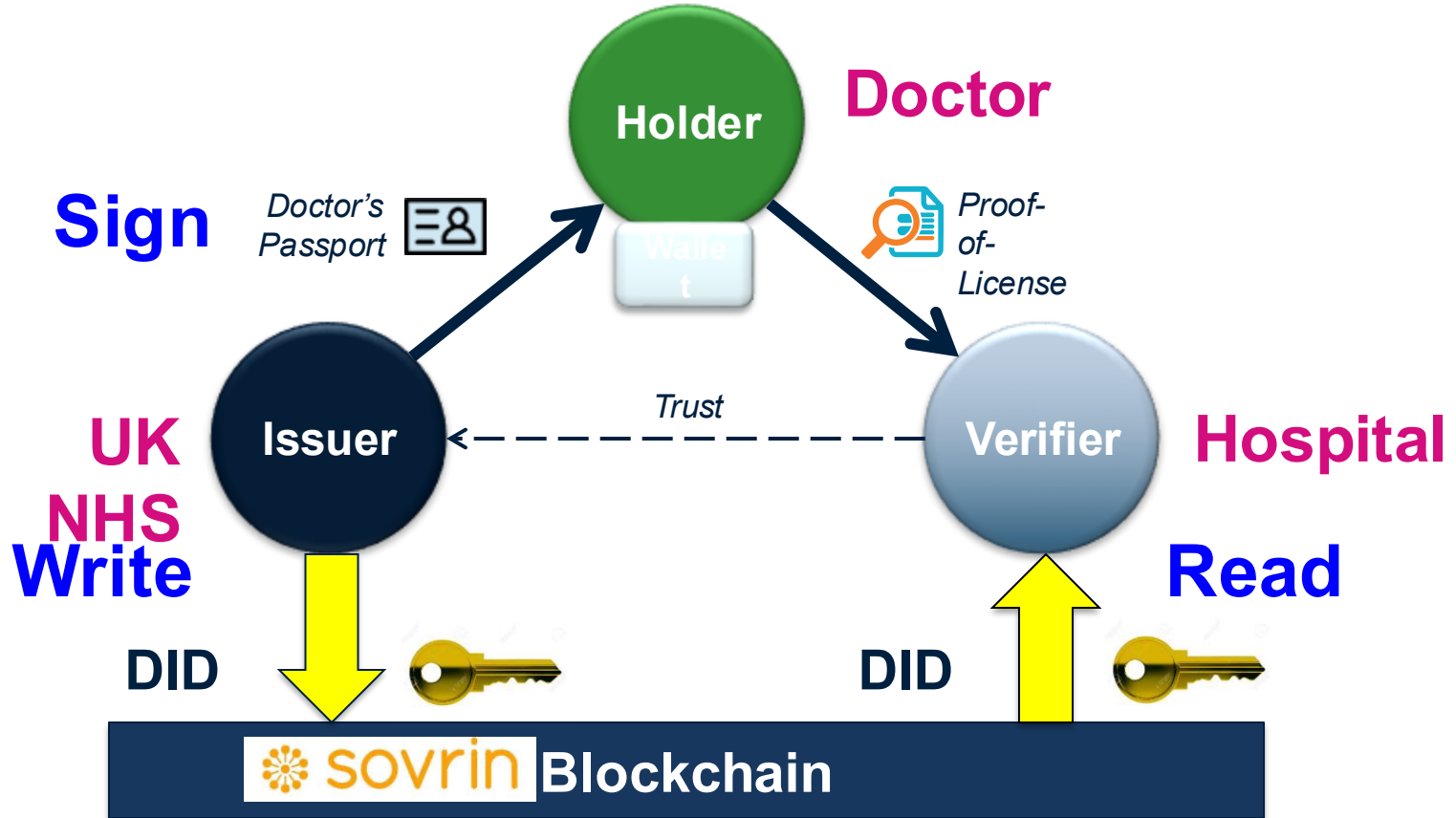
Doctor's Passport Example



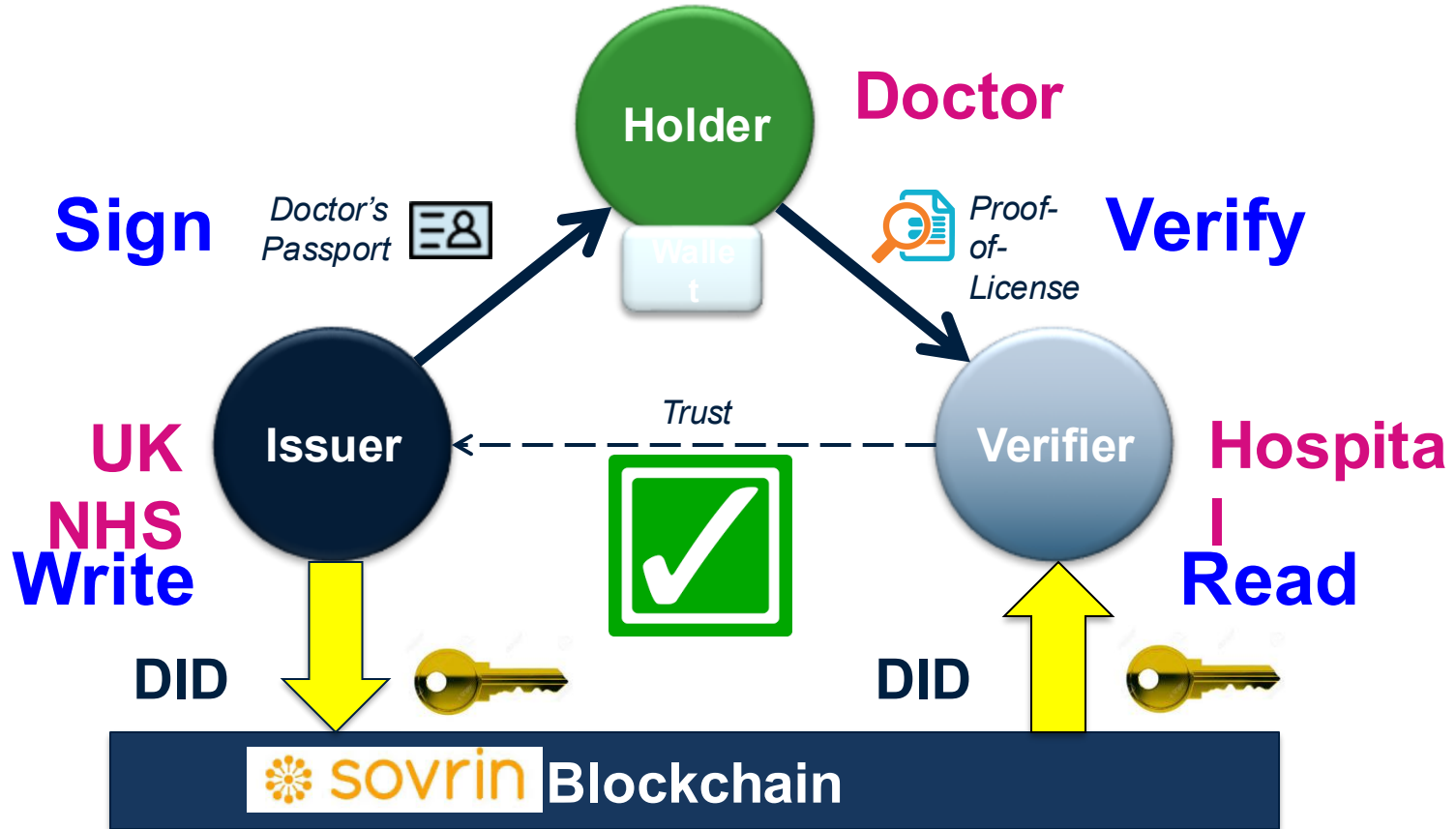
Doctor's Passport Example



Doctor's Passport Example



Doctor's Passport Example



CCI Verifiable Credentials Flavors Explained (Infographic)

Verifiable Credentials (VCs) are a standardized data model with broad expressive capacity (see how VCs work on the right). They can be used by many different industries and contexts. Credentials created for one narrow purpose can be used for another at the discretion of their holder or subject of the credentials, requiring no technical federation to the originating issuers.

VCs were standardized by W3C, an international community that develops open standards to ensure the long-term growth of the Web. The VC data model 1.0, published in 2019, offers optionally for credential formats, with the three predominate ones JSON-LD with LD Signature, and ZKP/Zero Knowledge Proof-CL. A year ago, JSON-LD ZKP with BBS+ was innovated to bridge the gap between the the most promising formats, JSON-LD with LD Signature and ZKP-CL, and reconciled the technical differences between two while managing to retain their key merits. Kaiya Young, CCI's Ecosystems Director, wrote a paper explaining the different formats (<https://www.lfph.io/wp-content/uploads/2021/02/Verifiable-Credentials-Flavors-Explained.pdf>), based on which we created this infographic to provide a simplified view of why we believe the community should converge on JSON-LD ZKP with BBS+.



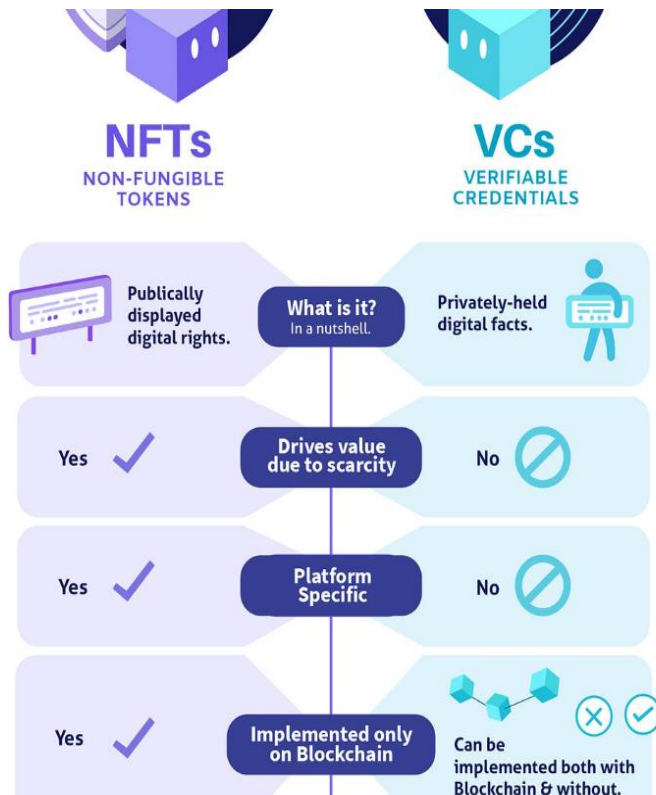
	JSON - JWT	JSON-LD with LD Signature	ZKP- CL	JSON-LD ZKP with BBS+
Summary	Simplicity: Simplest among all Privacy Preserving: No - Selective Disclosure: No - Zero Knowledge Proof: No - Need to Reveal Persistent Identifier: Yes Semantic Disambiguation: No	Simplicity: Relatively simple Privacy Preserving: No - Selective Disclosure: Yes - Zero Knowledge Proof: No - Need to Reveal Persistent Identifier: Yes Semantic Disambiguation: Yes	Simplicity: Most complicated among all Privacy Preserving: Yes - Selective Disclosure: Yes - Zero Knowledge Proof: Yes - Need to Reveal Persistent Identifier: No Semantic Disambiguation: No	Simplicity: Complicated Privacy Preserving: Yes - Selective Disclosure: Yes - Zero Knowledge Proof: Not yet - Need to Reveal Persistent Identifier: No Semantic Disambiguation: Yes
Verifiable Credential (Issued by the Issuer)				
Verifiable Presentation (Presented to the Verifier)				

LFPH PUBLIC HEALTH

Source: <https://www.lfph.io/wp-content/uploads/2021/02/Verifiable-Credentials-Flavors-Explained.pdf>



Comparing NFTs and VCs



SOULBOUND TOKENS

Transferability:

VCs: Can be shared and verified by others, but not transferred.

SBTs: Permanently tied to the holder's wallet and cannot be transferred.

Purpose and Usage:

VCs: Used to prove qualifications, identity, and credentials.

SBTs: Used to represent personal, non-transferable attributes and reputation.

Verification:

VCs: Verified through cryptographic proofs by verifiers.

SBTs: Exist on the blockchain and represent unique attributes visible to all.

Privacy:

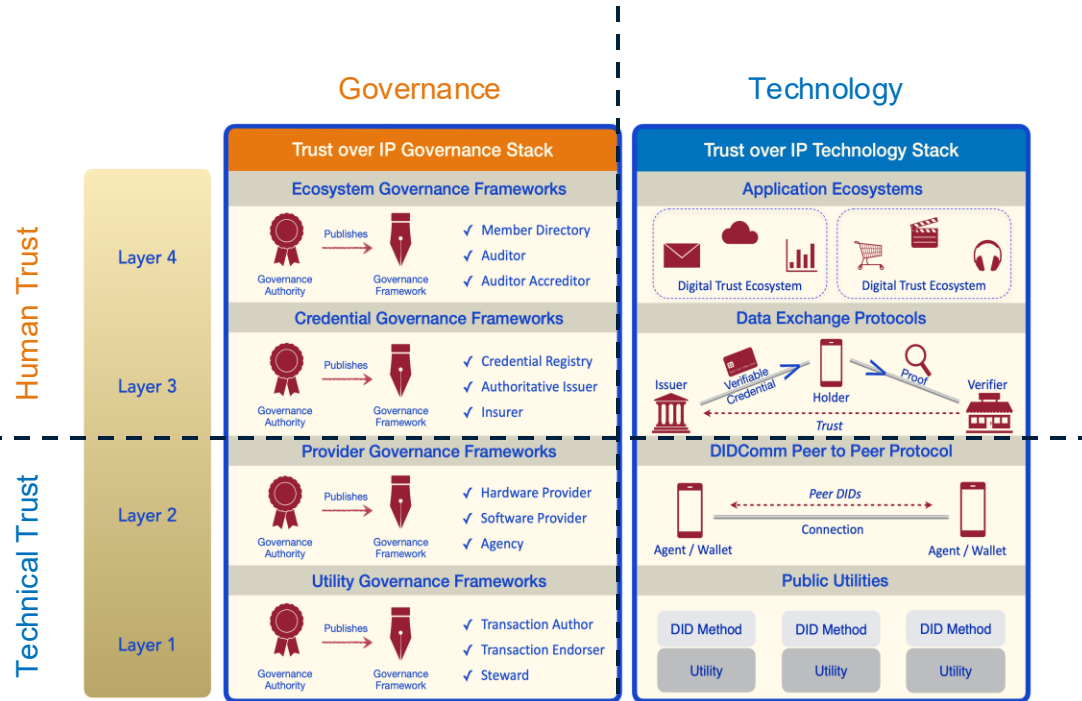
VCs: Can selectively disclose information to verifiers.

SBTs: Publicly visible on the blockchain, potentially less privacy.

THE DECENTRALIZED IDENTITY STACK IN DETAIL



THE DECENTRALIZED IDENTITY STACK



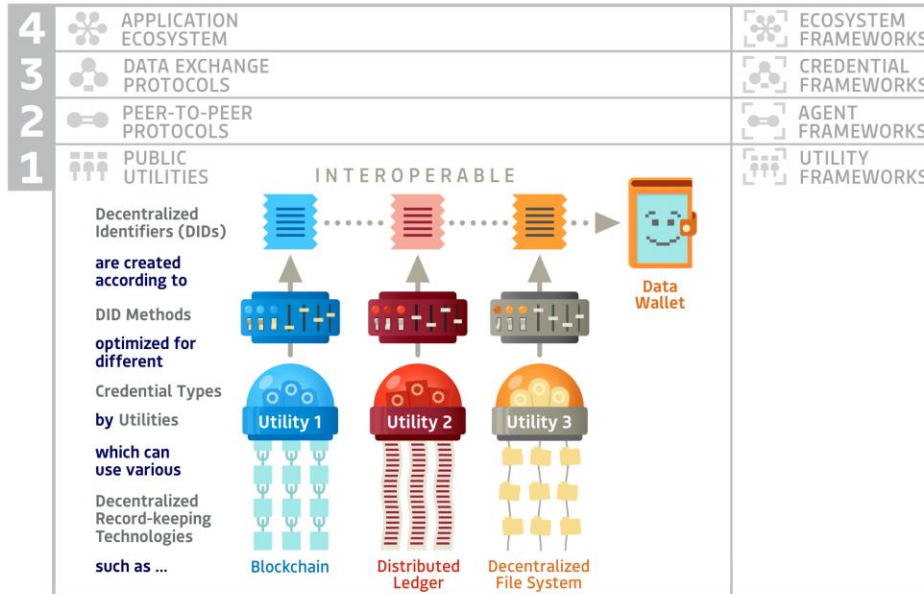
<https://trustoverip.org/wp-content/toip-model/>

TECHNOLOGY LAYER 1 (THE PUBLIC UTILITY LAYER)



TECHNOLOGY

GOVERNANCE



HYPERLEDGER INDY



Architecture Overview: Indy Blockchain Type



BITCOIN is decentralized money.



ETHEREUM is decentralized applications.



INDY is decentralized identity.

Validation

Access	Validation	
	Permissionless	Permissioned
	Public Bitcoin Ethereum	Indy/Sovrin
Private	Enterprise Ethereum Alliance	Hyperledger Fabric Hyperledger Sawtooth R3 Corda

INDY IMPLEMENTATION: BCOVRIN TEST NET

Overview

BCovrin Test

Contributed by the Province of British Columbia - digital.gov.bc.ca/digital-trust/

Validator Node Status

Node1	DID: Gw6pDLhcBcoQeN72qTqTgFa7cbuqZpKX3o6pLhPhv Uptime: 2 days, 23 hours, 6 minutes, 36 seconds Txns: 57 config, 905K ledger, 4 pool, 1.67/s read, 0.126/s write indy-node version: 1.12.6
Node2	DID: BECV5K179mjsjKRLW1QtssMLgp8EPmX1aYs1WPSGAb Uptime: 2 days, 23 hours, 0 minutes, 8 seconds Txns: 57 config, 905K ledger, 4 pool, 1.67/s read, 0.127/s write indy-node version: 1.12.6
Node3	DID: DKWxG2fXtU8yTSN7hEzBf83d4nVv1c2DhpmDxya Uptime: 2 days, 22 hours, 24 minutes, 52 seconds Txns: 57 config, 905K ledger, 4 pool, 1.68/s read, 0.128/s write indy-node version: 1.12.6
Node4	DID: 4PS3EDQ3dW1tc118p6543CfuuebjFrg36KALuicsKGFaA Uptime: 2 days, 22 hours, 16 minutes, 21 seconds Txns: 57 config, 905K ledger, 4 pool, 1.67/s read, 0.128/s write indy-node version: 1.12.6

View detailed information about the status of the running validator nodes:

[Detailed Status](#)

Connect to the Network

Download the genesis transaction file to connect to the network.

[Genesis Transaction](#) .json

Authenticate a New DID

Easily write a new DID to the ledger for new identity owners.

☒ Register from seed ☐ Register from DID

Wallet seed (32 characters or base64)

DID (optional)

Alias (optional)

Role

Endorser

[Register DID](#)

Source: <http://test.bcovrin.vonx.io/>

This Medium post describes the Hyperledger Indy blockchain in details: <https://drlee.io/identity-on-the-blockchain-with-hyperledger-indy-architecture-by-ernesto-net-7ce1a7e2732c>

- It is a permissioned ledger
 - It has no native cryptocurrency or token
 - It operates the Plenum consensus protocol (RBPT), which is a variant of the Byzantine Fault Tolerant protocol (more than 1/3 corrupt nodes can corrupt the ledger).
 - It can handle a high volume of transactions
 - Immutability guarantees will depend on who controls the ledger nodes (e.g., single entity or decentralized entities)
- Transactions between peers are not stored in the ledger



EACH NODE RUNS FOUR TYPES OF LEDGERS

Ledger: Ledger Types

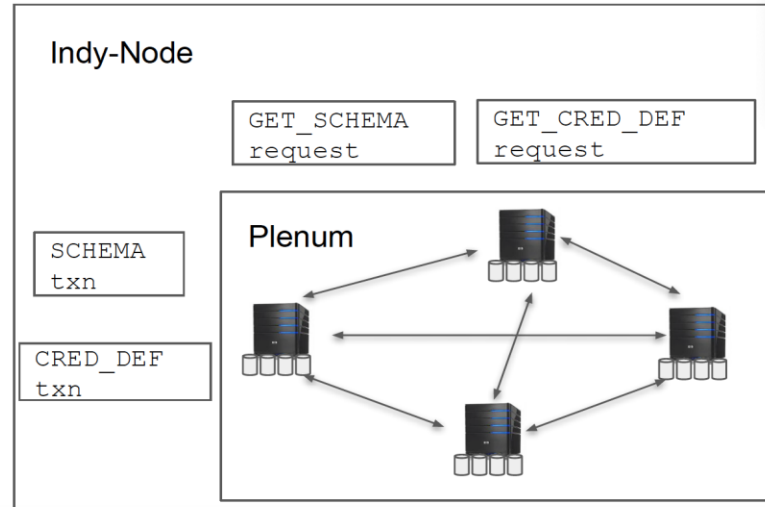
Indy has multiple Ledgers (each with a separate transaction log and a merkle tree):

- Audit Ledger
 - Order across ledgers
 - Pool Ledger
 - Transaction for every Node in the pool
 - Adding, editing, removing nodes
 - Config Ledger
 - Pool config parameters
 - Used in transaction validation
 - Domain Ledger
 - Identity-specific transactions
 - Application-specific transactions
- Plugins can add new ledgers

ARCHITECTURE OVERVIEW – CONSENSUS

Indy-Plenum and Indy-Node

- Indy-Plenum:
 - <https://github.com/hyperledger/indy-plenum>
 - Consensus Protocol
 - Ledger
- Indy-Node:
 - <https://github.com/hyperledger/indy-node>
 - Depends on indy-plenum
 - Identity-specific transactions



BYZANTINE FAULT TOLERANCE OVERVIEW

Definition: Byzantine Fault Tolerance (BFT) refers to the system's ability to function correctly and reach consensus even when some nodes in the network act maliciously or unpredictably.

Importance: Ensures reliability and security in distributed systems where nodes may fail or act maliciously.

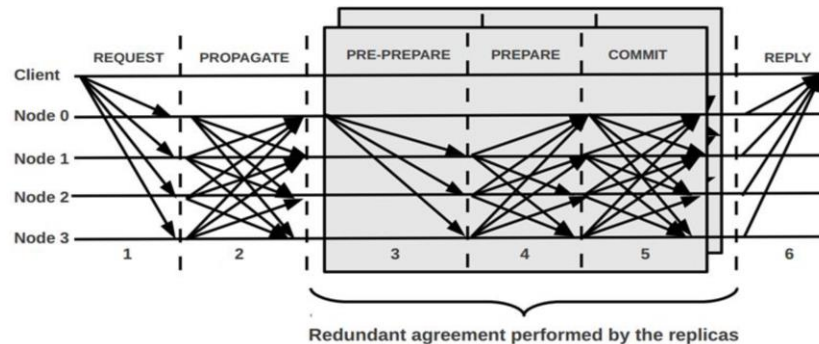
Basic Concept:

- **Fault Model:** Assumes that nodes can fail in arbitrary ways, including lying or colluding.
- **Consensus Objective:** Achieve agreement among non-faulty nodes on a common state or value.
- **Node Requirements:** Typically, to tolerate ' f ' faulty nodes, a total of ' $3f + 1$ ' nodes are needed.
- **Message Passing:** Nodes exchange messages to share their state and validate others' states to reach consensus.



REDUNDANT BYZANTINE FAULT TOLERANT MECHANISM

- **Redundancy Principle:** Incorporates additional nodes and layers of **redundancy to enhance fault tolerance**.
- **Phases of Consensus:**
 - **Pre-prepare:** Leader proposes a value.
 - **Prepare:** Nodes validate the proposal and broadcast their validation.
 - **Commit:** Nodes validate the prepare phase and broadcast commitment.
- **Final Decision:** Nodes make a final decision based on received messages from other nodes.
- **Redundancy Strategy:** Adds more nodes and layers to handle more complex fault scenarios.



CRYPTOGRAPHY OVERVIEW

Ledgers:

- Merkle Tree (Ledger)
- Patricia Merkle Trie (State)

Node-to-Node Communication:

- ZMQ (libsodium) as secure transport
- CurveCP handshake
- Authenticated Encryption

Authentication: Poly1305 MAC

Symmetric key crypto: XSalsa20

Public Key Crypto: Curve25519

- No Digital Signatures
- BLS multi-signature to sign merkle roots

Client-to-Node communication:

- Ed25519 Digital Signatures

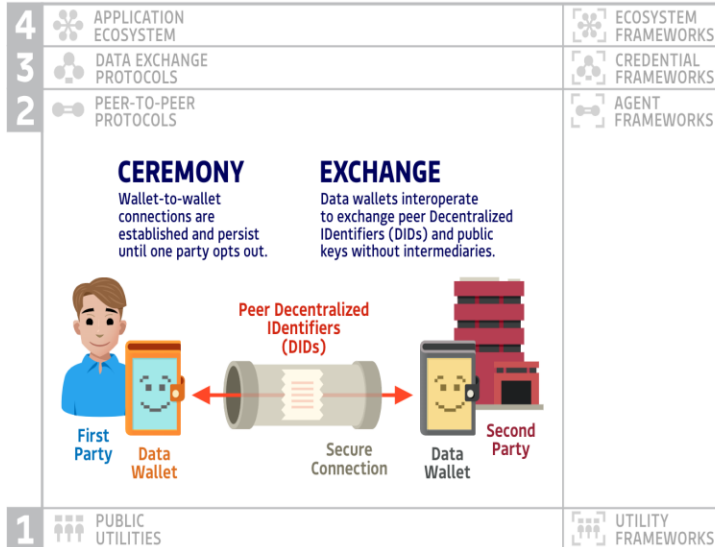


TECHNOLOGY LAYERS 2 & 3 (DIDCOMM & DATA EXCHANGE)



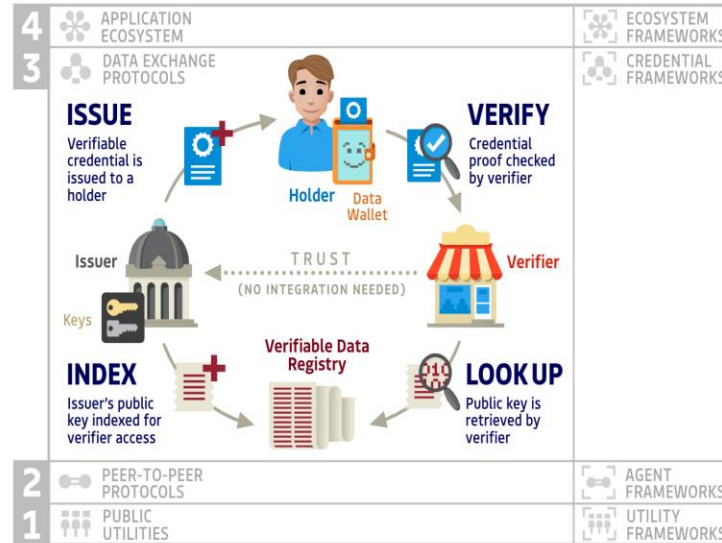
TECHNOLOGY

GOVERNANCE



TECHNOLOGY

GOVERNANCE



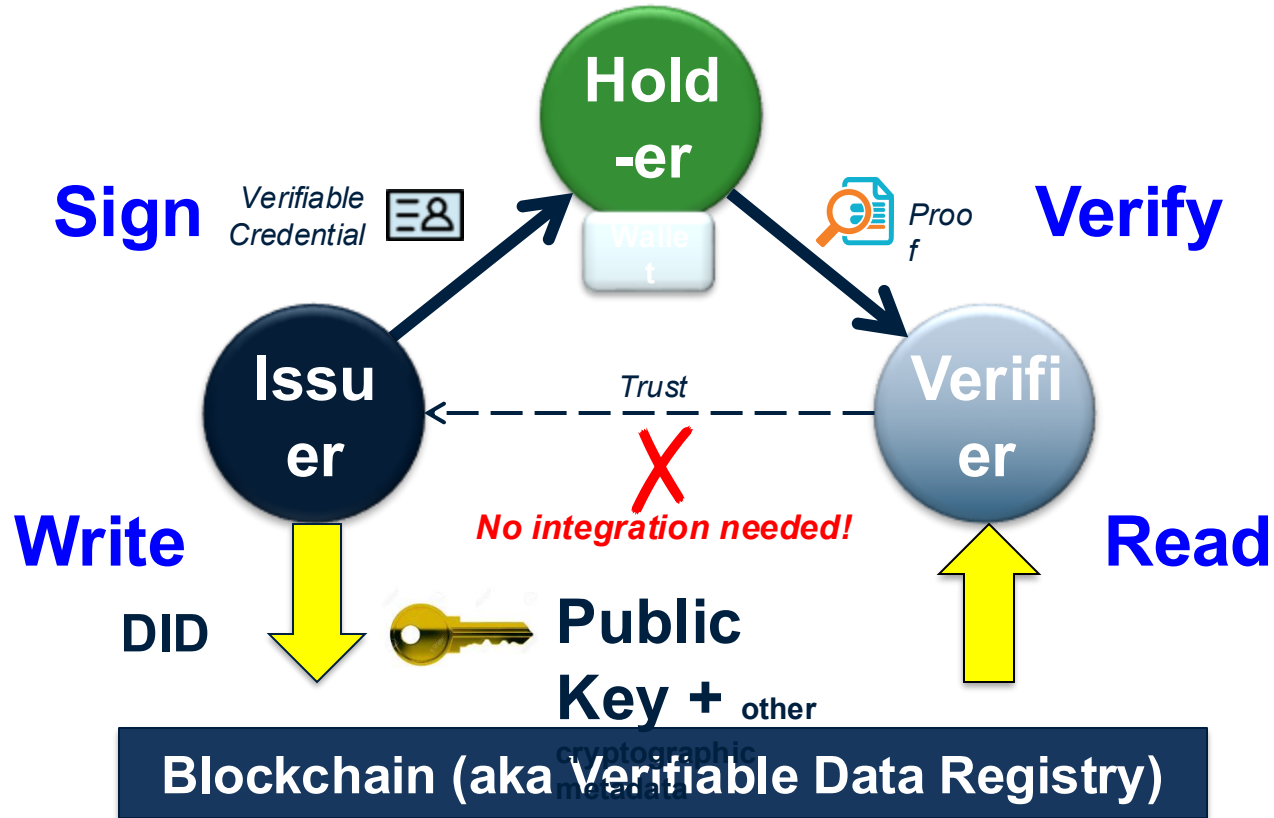
Decentralized Identity Components

The essence Decentralized-ID is in creating open standards for a privacy preserving internet-wide identity layer — not owned by any one particular organization, but interoperable between all.

- DIDs
- DID Method (embedded in a DID Document)
- DID Specification
- DIDComm (Exchange Protocols)
- Verifiable Credential
- Agent/Digital Wallet



How Layer 3 works: Verifiable Credential Trust Triangle



PARTIES (AGENTS) INTERACT USING THEIR WALLETS

This environment will reset on July 1st

VICTORIA LEMIEUX

Dashboard
Connections
Connections
Invitations
Issuance
Verification
Credentials
Configuration
Messages
About

Tenant Profile

Tenant ID
a51d72df-a8d6-418b-a38b-bf56cc0655e4

Wallet ID
ee4c3448-6db1-4120-a592-ecaace943bc

Name
Victoria Lemieux

Contact Email
v.lemieux@ubc.ca

Issuer
Current Ledger: bcovrin-test

Endorser

Connect	Ledger 1	Alias 1
Status	active	bcovrin-test
bcovrin-test-endorser		

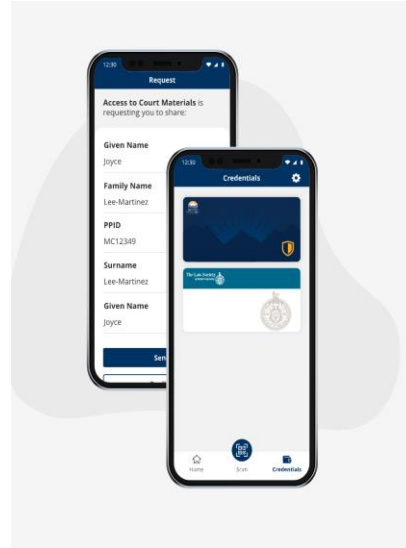
> Endorser Details

Public DID

Register	Ledger Identifier 1
✓	bcovrin-test

ISSUER

Cloud Wallet



Mobile Wallet

Agent/Digital Wallet

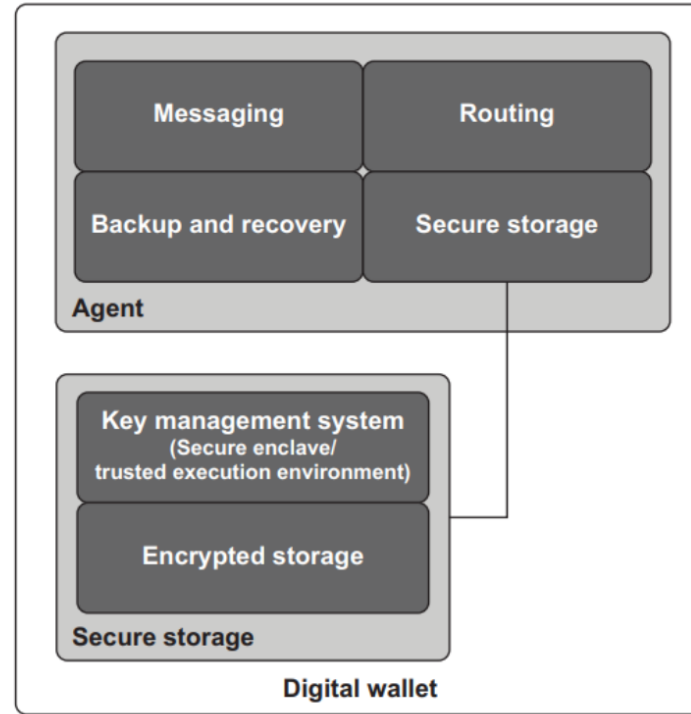


Fig. 4. Conceptual architecture of a typical SSI digital wallet and agent.⁵⁸

REGISTERING A DID IN AN SSI BLOCKCHAIN REGISTRY USING HYPERLEDGER INDY (REFER TO LAB #!)

did : example : 123456789abcdefghijk
DID Scheme DID Method Method-Specific Identifier



DID Method

Listing 1. Example DID Document

```
1 {  
2   "@context": "https://www.w3.org/ns/did/v1",  
3   "id": "did:example:123456789abcdefghi",  
4   "authentication": [{  
5     "id": "did:example:123456789abcdefghi#keys-1",  
6     "type": "Ed25519VerificationKey2018",  
7     "controller": "did:example:123456789abcdefghi",  
8     "publicKeyBase58": "H3C2AVvLMv6gmMnam3  
      uVAjZpfkcJCwDwnZn6z3wXmqPV"  
9   }],  
10  "service": [{  
11    "id": "did:example:123456789abcdefghi#vcs",  
12    "type": "VerifiableCredentialService",  
13    "serviceEndpoint": "https://example.com/vc/"  
14  }]  
15 }
```

*Latest (2022) W3C Rubric for choosing a
DID Method: <https://w3c.github.io/did-rubric/>*



DIDDocs and Specifications

DIDS RESOLVE TO DIDDOCS

ENSURES INTEROPERABILITY BETWEEN DID SCHEMES, ALLOWING ANY STORAGE SYSTEM TO INTERACT WITH AND RESOLVE A DID.

DIDs Resolve to DID Documents

```
{
  "@context": "https://w3id.org/veres-one/v1",
  "id": "did:v1:nym:DwkYwcoyUXHNkpj3whn4DgXB4fcg9gj95vKxYN2apkZD",
  "authentication": [
    {
      "type": "Ed25519SignatureAuthentication2018",
      "publicKey": [
        {
          "id": "did:vl:test:nym:DwkYwcoyUXHNkpj3whn4DgXB4fcg9gj95vKxYN2apkZD#authn-key-1",
          "type": "Ed25519VerificationKey2018",
          "owner": "did:v1:nym:DwkYwcoyUXHNkpj3whn4DgXB4fcg9gj95vKxYN2apkZD",
          "publicKeyBase58": "DwkYwcoyUXHNkpj3whn4DgXB4fcg9gj95vKxYN2apkZD"
        }
      ]
    }
  ],
  "service": [
    {
      "type": "ExampleMessagingService",
      "serviceEndpoint": "https://example.com/services/messages"
    }
  ],
  ... more DID-specific information here ...
}
```

1. Authentication Mechanisms

2. Public Key Material

3. Service Discovery

DIDComm (Exchange Protocols)

- 1 Alice has a secret key (sk_a), a DID Document for Bob which contains an endpoint ($endpoint_{bob}$), and a public key (pk_b).
- 2 Bob has a secret key (sk_b), a DID Document for Alice which contains Alice's public key (pk_a).
- 3 Alice encrypts the plain text message (m) using pk_b , creates cipher text (ct_b).
- 4 Alice signs ct_b using sk_a to create a signature (σ).
- 5 Alice sends (ct_b, σ) to $endpoint_{bob}$.
- 6 Bob verifies σ using pk_a .
- 7 **if (Verified) then**
 - 8 | Bob decrypts ct_b using sk_b .
 - 9 | Bob reads m .
- 10 **end**



Variety of exchange protocols

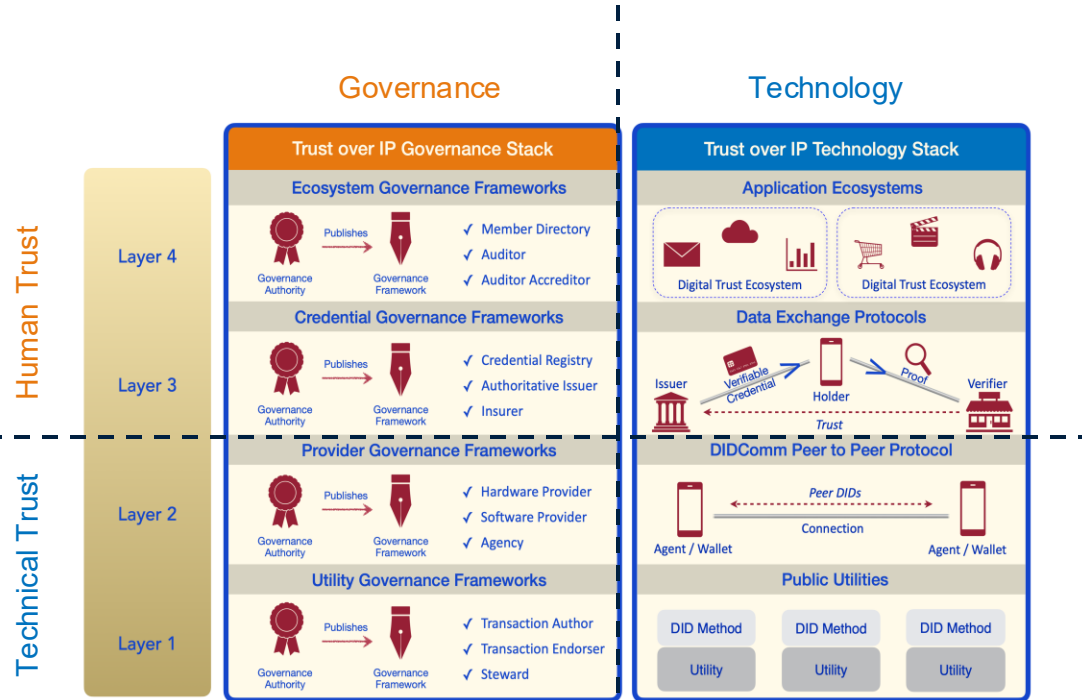
- DIDComm (DIF)
- CHAPI (DIF)
- OIDC4VC (OpenID)
- mDL (ISO/IEC)
- WACI-Pex (DIF)
- VC-HTTP-API (CCG)

See: <https://decentralized-id.com/ecosystem/>

GOVERNANCE

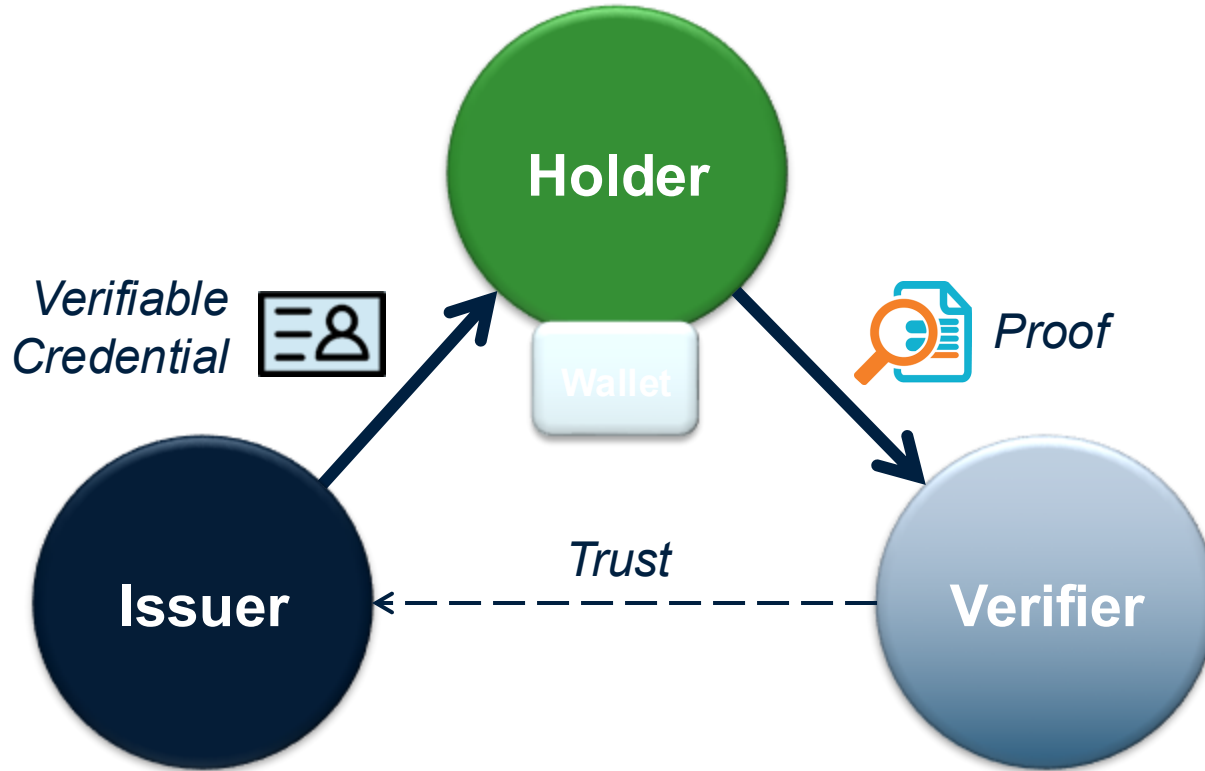


THE DECENTRALIZED IDENTITY STACK

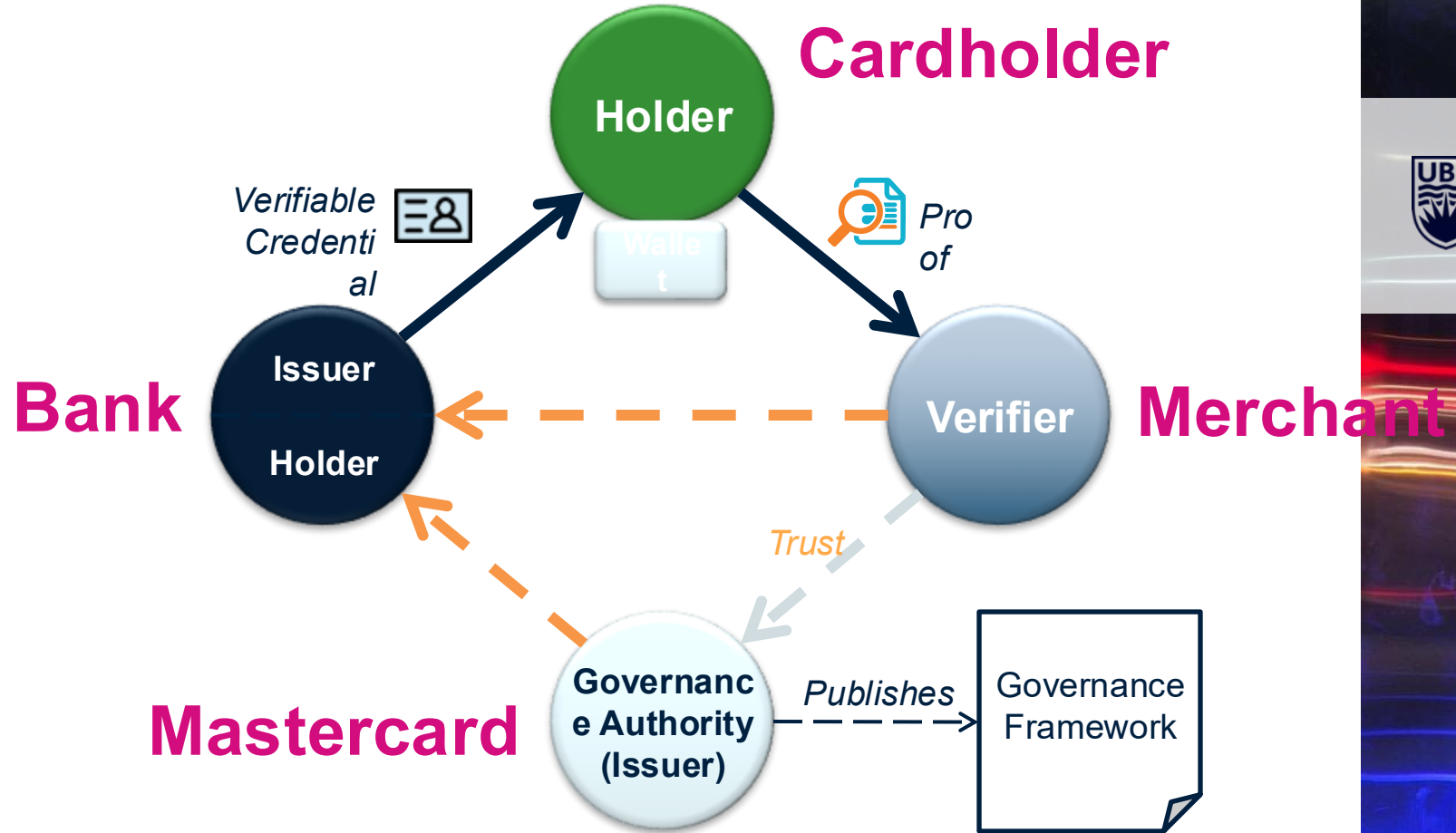


<https://trustoverip.org/wp-content/toip-model/>

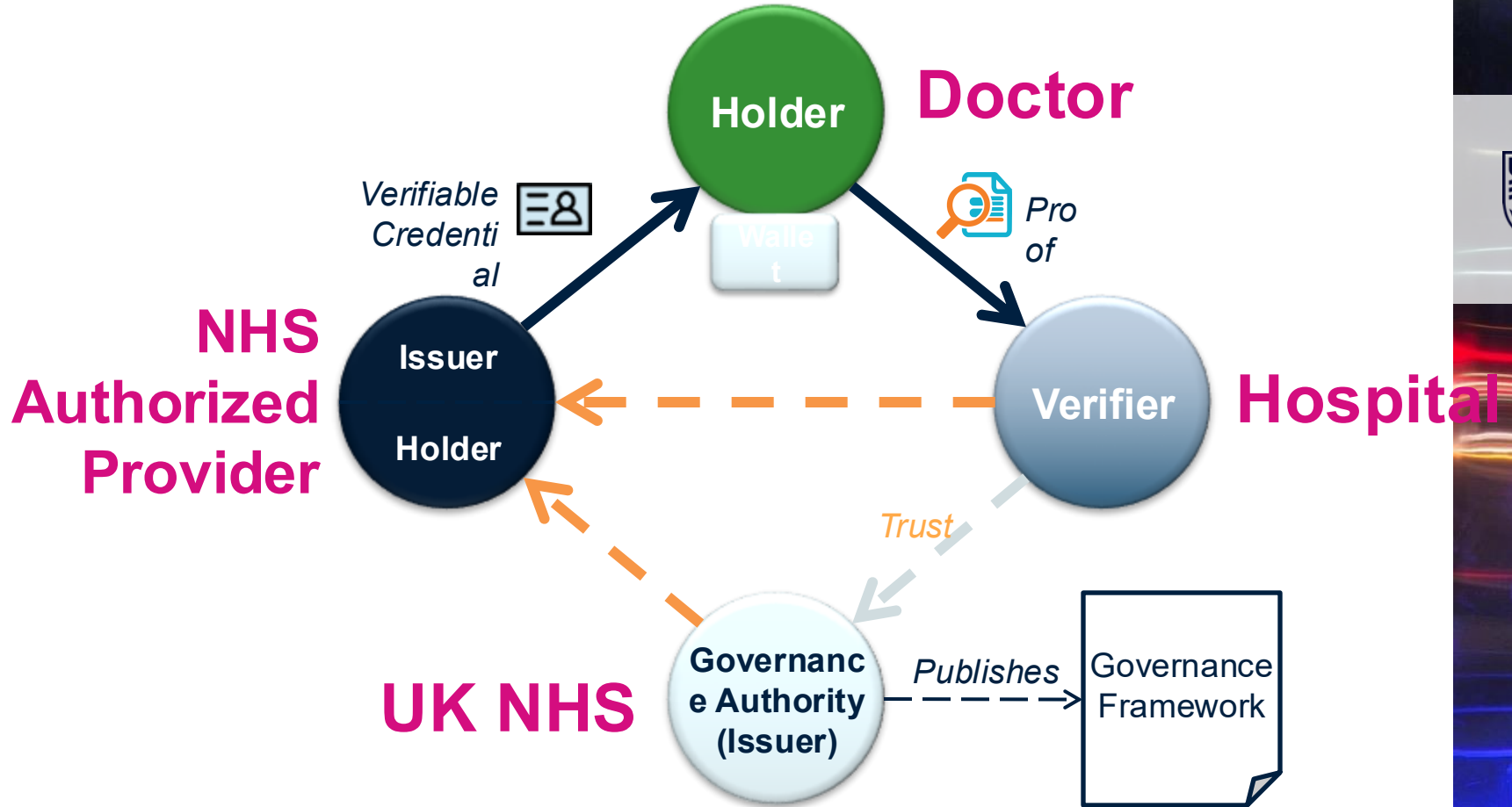
How can verifiers know all the issuers?



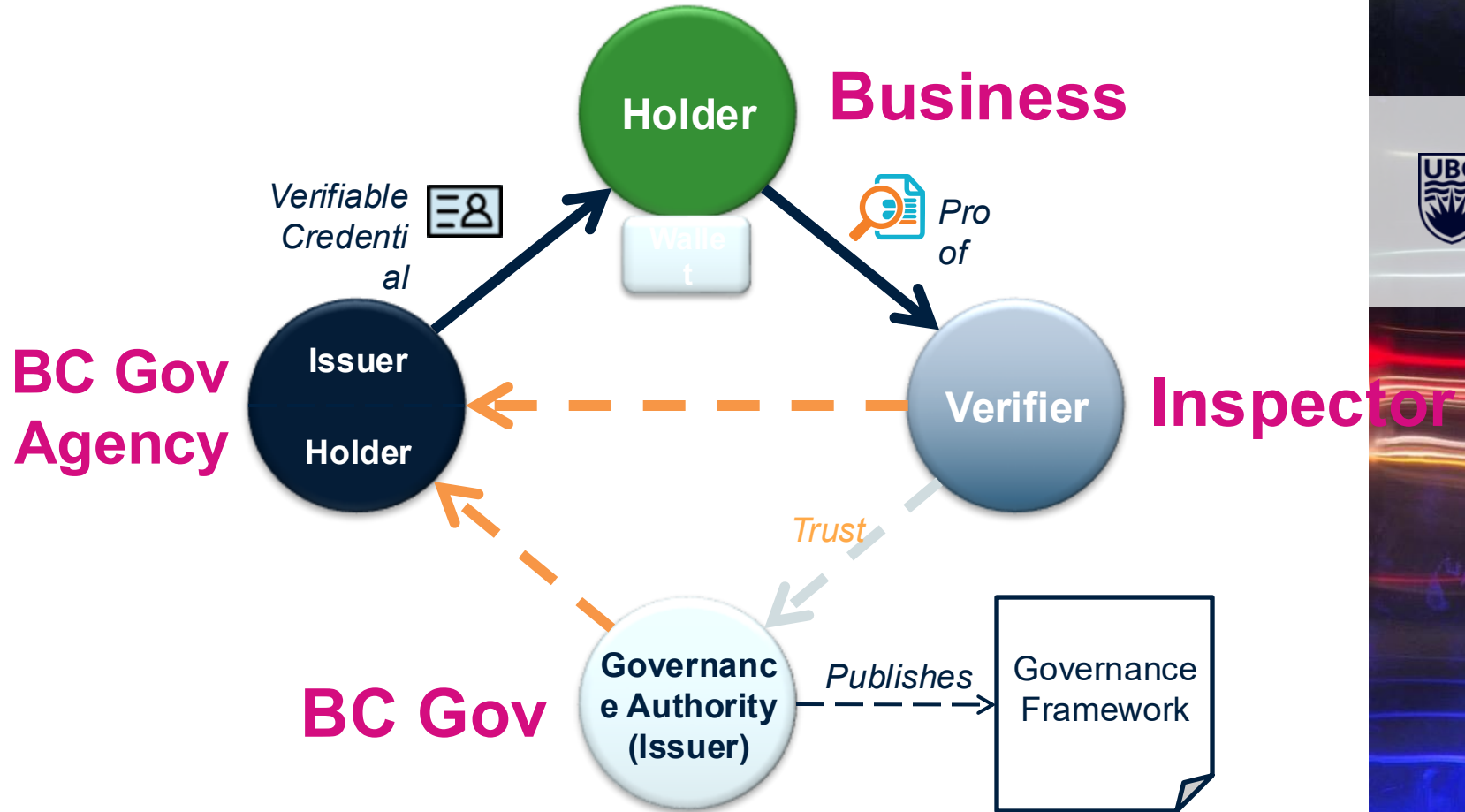
The governance trust triangle



Example: the doctor's passport



Example: BC Gov digital trust ecosystem



SETTING UP AN SSI BLOCKCHAIN REGISTRY (DEMO)





Chrome File Edit View History Bookmarks Profiles Tab Window Help

New Tab X SSI_L2_Video1 Front back... X Soapbox - Recording X +

onedrive.live.com/edit.aspx?resid=6F01F46DC412D19811473&cid=6F01F46dc412d198&CT=1720636118619&OR=ItemsView

DEC | INSTITUTE

Decentralized MOOC Level 2

July 2024

Self-Sovereign Identity (SSI) – Level 2

Victoria Lemieux, Professor
The University of British Columbia

soapbox.wistia.com is sharing your screen. Stop sharing Hide

Desktop Folder



EXCHANGING AND VERIFYING VERIFIABLE CREDENTIALS (DEMO)





My files - OneDrive x SSI_L2_Video2_front back... x Soapbox - Recording x

onedrive.live.com/edit.aspx?resid=6F01F46DC412D19811475&cid=6F01F46dc412d198&CT=1721159345402&OR=itemsView

DEC | INSTITUTE

Decentralized MOOC Level 2
April 2024

Self-Sovereign Identity (SSI) – Level 2

Victoria Lemieux, Professor
The University of British Columbia

The background of the slide is dark blue. It features faint, stylized graphics including a line graph with a peak and a Bitcoin symbol. There are also some white abstract shapes on the right side.

CASE STUDIES



USE CASE EXAMPLE 1: ACCESS TO COURT SERVICES

Solution

The Law Society of British Columbia collaborated with the B.C. Government's Digital Trust and Identity Program on a project that established 3 new pillars of digital trust.

- The Law Society of BC issued a Member Card digital credential to a lawyer, proving they're a lawyer in good standing
- A Person credential, an online identity based on information from their BC Services Card, was also issued to the lawyers
- Both digital credentials were integrated into the BC Wallet, a user-friendly and secure digital wallet smartphone app
- Lawyers then used their digital credentials and BC Wallet for swift and secure access to court services.



<https://digital.gov.bc.ca/digital-trust/justice-project/>



USE CASE EXAMPLE 2: MANAGE CONSENT FOR HEALTH DATA EXCHANGE

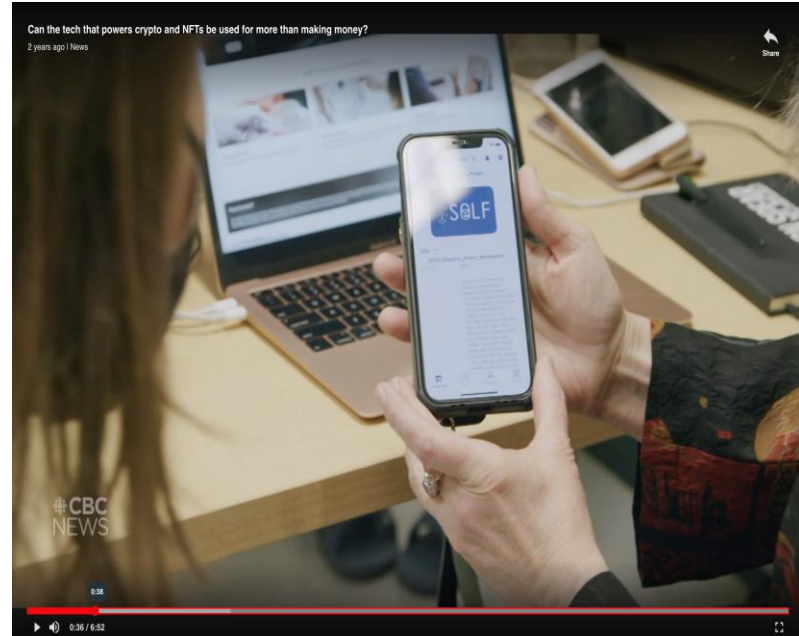
Solution

Health researchers must comply with laws and regulations that require them to:

- Validate a person's identity
- Provide proof of consent for data sharing (What data? What use? How long?)
- Retain audit-ready consent evidence (for both partners + regulators)

Compliance with laws and regulations can slow health innovation, such as the discovery of new treatments for Cancer

Molecular You, a health intelligence company, and Blockchain@UBC at The University of British Columbia developed a solution to manage granular and dynamic consent using verifiable credentials



<https://www.cbc.ca/player/play/video/1.6412429>

USE CASE EXAMPLE 3: PROOF OF SUSTAINABLE MINING

Solution

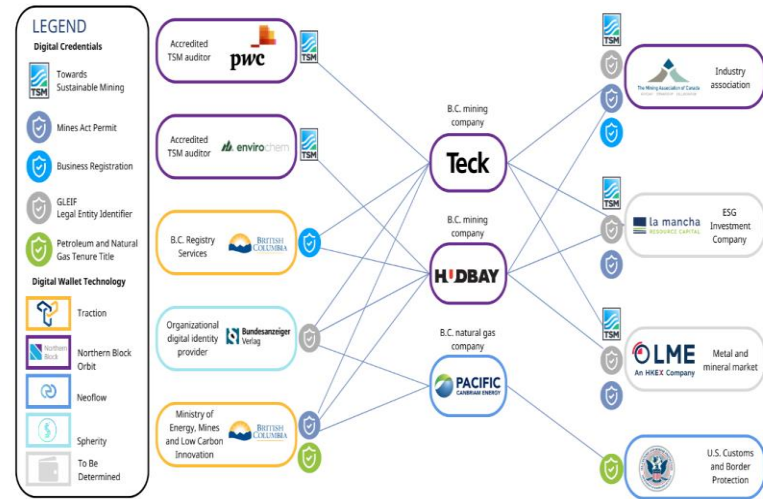
The Towards Sustainable Mining Program (TSM) program of the Mining Association of Canada (MAC) measures mining companies against 9 protocols.

- Commitment to biodiversity
- Water stewardship
- Health and safety
- Participating mines must report their progress annually.

Through collaboration with the Energy & Mines Digital Trust, MAC is exploring the opportunity for mining operators to submit their TSM scores using digital credentials, fulfilling their membership requirements securely and efficiently.

Mines can continue to use digital credentials to share their ESG performance to anyone who asks, including customers and investors.

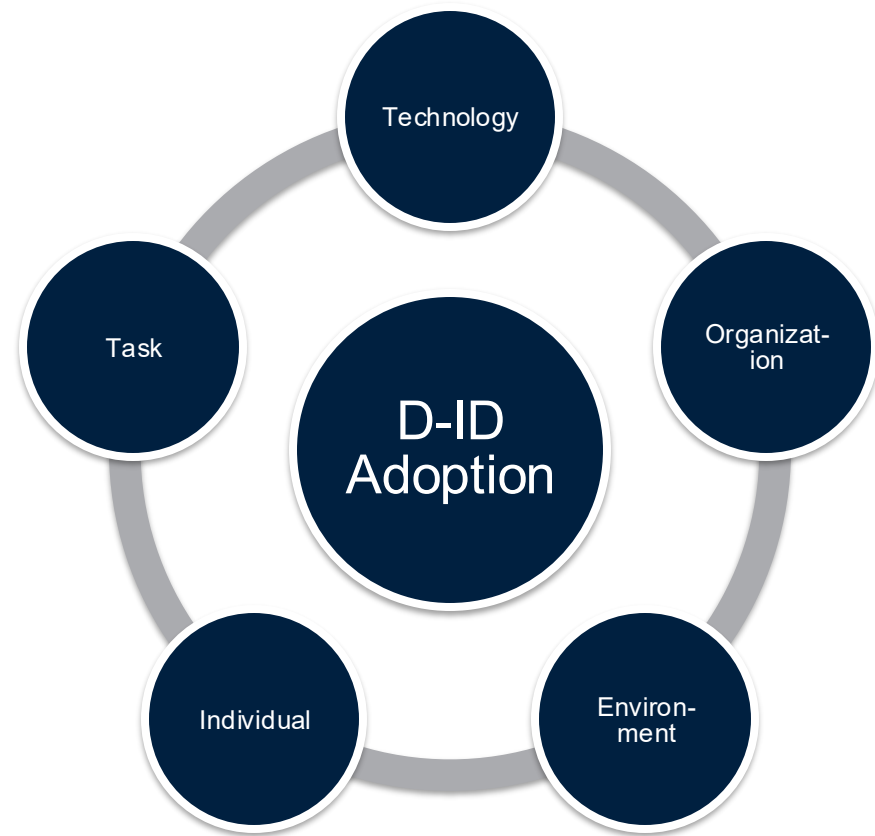
Driving progress for natural resource operators in B.C.



ISSUES AND CHALLENGES



Technology
adoption means
Addressing
issues and
challenges . . .



CRITICAL ANALYSIS

QR Code Security

- Observation: QR codes can be insecure and subject to Man-in-the-Middle Attacks (a cyberattack where the attacker secretly relays and possibly alters the communications between two parties who believe that they are directly communicating with each other, as the attacker has inserted themselves between the two user parties). However, EDMT uses DiDComm which signs all messages passed between peers, ensuring that communications cannot be intercepted and forged.
- Suggestion: Always use DiDcomm for credential exchange (or some other secure form of communication)

CRITICAL ANALYSIS

Competence of Authority for Credential Issuance

- Observation: Our demo does not include a check that the credential is issued by the competent authority
- Suggestion: Need to set up a governance framework so that subsequent verifications check to ensure that the credential has been digitally signed by the competent authority (their VerKey which can be searched up on the blockchain)



CRITICAL ANALYSIS

Social Trust in the Governance Authority

- Observation: Individuals may not trust the credential issuing authority e.g., a government
- Suggestion: Need to set up a governance framework so that there are safeguards and limitations to avoid abuse of power/human rights violations/exclusion of disadvantaged groups



Reiter said he heard concerns from people about potentially implementing digital ID, even though he previously stated the province wanted to make it easier to access government services.

One of the main concerns has been privacy. From its inception, Reiter had said it would not be mandatory.

Decentralized identity in Canada – Watch this space!

Treasury Board
Secretariat of Canada
announces it is
working on a digital
identity system for
Canada -
[https://canada-ca.github.io/PCTF-CCP/docs/2020-08-08%20Digital-ID-General-with-CIOSC-Standard-Draft%20\(EN\).pdf](https://canada-ca.github.io/PCTF-CCP/docs/2020-08-08%20Digital-ID-General-with-CIOSC-Standard-Draft%20(EN).pdf)

Trudeau says Liberals
“stand against”
Canadian digital ID -
<https://globalnews.ca/video/10311008/trudeau-says-liberals-stand-against-canadian-digital-id>

2023

Oct. 2024

Aug. 2020

Feb. 2024

Treasure Board
Secretariat establishes
a Working Group on
Digital Identity

Government of
Canada issues RFI for
“Issuing and Verifying
Digital Credentials
(IVDC)” -
<https://canadabuyss.ca.ca/en/tender-opportunities/tender-notice/cb-504-79821275>



THE UNIVERSITY OF BRITISH COLUMBIA

School of Information

Faculty of Arts

THE UNIVERSITY OF BRITISH COLUMBIA