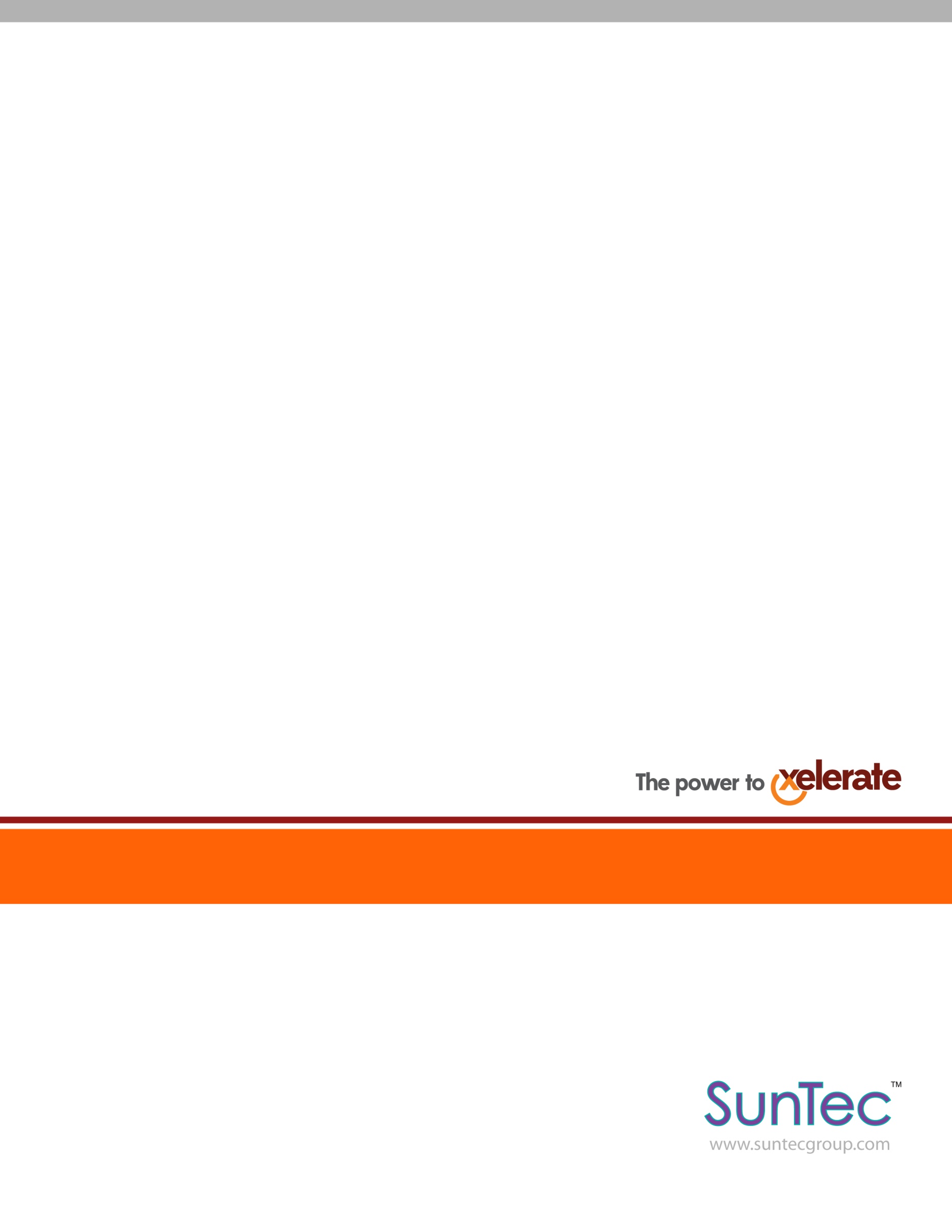
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| Treasury Laws Amendment (Consumer Data Right) Bill 2018 - Submission |
| SunTec Business Solutions |
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# About SunTec Business Solutions

At SunTec Business Solutions, we help our clients increase the lifetime value of their customer relationships through effective revenue management and real-time customer experience orchestration. With a legacy of about 70 deployments in over 44 countries, SunTec is a trusted partner to some of the world’s leading banks, digital and communication services, travel, and retail providers. Headquartered in India, we have our offices in the USA, UK, Germany, UAE and Singapore.



## SunTec’s play in the Open banking space

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# Overall view of SunTec Business Solutions on CDR

At the onset SunTec would like to thank the Australian government for this opportunity to state our views on the “Treasury Laws Amendment (Consumer Data Right) Bill 2018”. SunTec Business Solutions has been closely working on Open Banking for the past 20 months and has been in active conversations with key banks in Europe and other geographies to enable them achieve their open banking and platformification strategy.

We at SunTec Business Solutions have referred to various document published for review including the “Treasury Laws Amendment (Consumer Data Right) Bill 2018” and “Exposure Draft – Explanatory Memorandum” along with the ready reckoner published.

For specific feedback (covered in Section 4 of this document) on different areas of the bill, SunTec Business Solutions has mapped it to the document “Exposure Draft – Explanatory Memorandum” which have been put as sub-sections in section 4. For ease of mapping, we have also mentioned the “point number” in each sub-section to which the clarification/suggestion applies to.

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| Our view on CDR | Supporting with caveats |
| Why? | We at SunTec Business Solutions have been closely working on the open banking initiatives primarily in UK and EU geography and strongly believe that open banking will re-define the way banking is done and initiatives taken by government bodies in different geographies will increase the competitiveness in banking space (& further extended to other industries) hence, placing more power in the hands of the consumer. Since this is an evolving initiative, there will still be certain caveats which will need to be resolved. We have tried to cover some of these suggestions & feedbacks in section 3 and section 4 of this document. |

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# Overall summary of the feedback

* In the CDR & open banking regime, apart from increasing market competitiveness and providing better suited options to the consumers to choose from, focus will also shift of covering the entire customer experience by an organization rather than just focusing on the core offering. This we believe will redefine the business models of business across industries. Increasingly we will see vertical focused organization moving to become horizontal driven by customer demands and disruptions. How well the regulations are defined to make this more and more seamless is the challenge.
* Since the number of participants in the CDR system is significant, defining standards for different pieces may it be data exchange, internal & external security policies, reports becomes far more important.
* In case of accreditation process, considerable stress on identifying the “intent” of accreditation upfront can reduce the downstream issues like un-authorized usage, privacy breach & misuse of consumer data.
* Fair bit of awareness campaigns will need to be run for the consumers as well to educate & make them understand the power that CDR brings in their hands & the rights they hold as a CDR consumer.
* CDR privacy framework is another critical component of the overall proposal which ensures the security and privacy rules of consumer data.

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# Detailed suggestions & clarifications

## General Suggestions & Clarifications

* CDR system is a critical component in the overall CDR regime. Who will be the owner of the CDR system and whether it is going to be developed in-house by the government owned entity or will be outsourced (fully or partially).
* Will the CDR system take care of the ISMS audit of the IT infrastructure?
* Further details and information on the System will be very helpful

## Consumer Data Right

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| --- | --- | --- |
| Point no. | Input type | Inputs |
| 1.1 | Clarification | Are the business required to share all the product data they offer publically or only specified product information about selected products need to be made publically available? |
|  | Clarification | In an open banking economy, banks will collaborate with partners and hence, bank will also hold partner’s products in their catalogue. In such cases where under the CDR regime, bank is supposed to share the product information, does the bank have the authority of sharing the partner’s product information as well? |
|  | Suggestion | Accountability of exposing the core product should lie with the business while the partner product need not be shared publically to increase the better collaboration which the bill intends to do.  Variations can also be brought in depending on the ADR who is requesting the data on the extent of the data that needs to be shared with ADR. |
| 1.3 | Suggestion | Apart from increasing market competitiveness and providing better suited options to the consumers to choose from, focus will also shift of covering the entire customer experience by an organization rather than just focusing on the core offering. |
| 1.5 | Clarification | More clarification required on the exact definition of “breach”. |
| 1.20 | Clarification | Is there going to be a centralized CDR system in place which will be used as an ADR register and the data holders will need to integrate with the centralized CDR system for ADR validation? Will the upload of data to central CDR system visualized to be on real-time basis or on specified batch frequency? |
| 1.21 | Clarification | Is there any definite information on “small business” based on parameters like revenue etc.? |

## Participants in Consumer Data Right System

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| Point no. | Input type | Inputs |
| 1.45 | Clarification | Cases where a Bank is acting as both “Data holder” and ADR, if the security & privacy rules differ for DH & ADR, is there any precedence rules that apply to the Bank on the security & privacy rules to be followed? |
| Example 1.2 | Suggestion | When the data is shared between multiple parties, a data format standardization for data sharing will bring in significant value to the complete framework and can bring down the operational cost significantly for CDR participants. |
| 1.46 | Clarification | In case of principle of reciprocity, does the originating data holder hold accountability to keep audit trail of the data travel or the accountability lies with the individual ADR passing on the data further to other ADRs? How does the consumer get an overall view of the data traceability in case of multiple data travels? |
| 1.48 | Suggestion | Definite definition of general product information will need to be defined as the information may differ on case to case and intent to intent basis of the consumer or ADR. |
| 1.51 | Suggestion | Elaboration required on third type of data categorization which speaks about CDR data derived from “primary sources”. |
| 1.53 | Suggestion | The term “CDR consumer” can be replaced with a term which is more relevant in the context of CDR framework (like data owner). At the outset, “CDR consumer” gives an impression of any party who is the consumer of the data. |
| 1.57 | Clarification | If the data is collected or generated outside Australia and the transaction occurs overseas and the data holder is an entity registered outside Australia but the CDR consumer is an Australian citizen, does the data holder fall under CDR regime? |
| 1.62 | Suggestion | Open APIs should be made available from the accreditation register for validation by the data holders before sharing of data. |

## Accreditation Process

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| Point no. | Input type | Inputs |
| 1.65 | Suggestion | Quick accreditation should be thought about for some entities based on certain rules which signifies or assures the credibility of certain organizations. For ex: A Fintech holding AISP license in UK will be eligible for quick accreditation. |
| 1.68 | Suggestion | Considerable stress needs to go on the “intent and justification” of party seeking accreditation so that the primary focus of CDR is maintained and not exploited by participating parties. |
| 1.72 | Suggestion | Tiered accreditation can be based on parameters like annual turn-over, years in business, brand value (quantified), criminal background, area of operation, intention & purpose of accreditation etc. Ways to have both step up tier for additional verifications while step-down tiers for credible parties. |

## Consumer Data Rules

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| Point no. | Input type | Inputs |
| 1.96 | Suggestion | It might be required to define the categories of data that can be charged under CDR. The defined list should be applicable across multiple sectors who will come under the CDR regime. |

## Compliance with Consumer Data Rules

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| Point no. | Input type | Inputs |
| 1.116 | Suggestion | In case of a breach where ACCC requests for information from the parties, standardization of information exchange format will ensure operational efficiency during the investigation procedure. |
| 1.118 | Clarification | Elaboration required on the definition of “data system”. Do all the IT & physical systems holding & processing data fall under the purview of ”data system”.  Further details on how ACCC plans to regularly monitor the “data systems” of different businesses. |
|  | Suggestion | While making of consumer data rules, it is important that the rules ensure that only the “intended” data goes to ADR and the privacy of the consumer is not compromised. |

## Data Standards & Data Standards Body

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| Point no. | Input type | Inputs |
| 1.131 | Suggestion | The data standards body can also include top financial service institutes of Australia to bring in practical perspectives on the kind of data managed by the financial services institutions and underlying capabilities of sharing the data in the specified format. |
| 1.144 | Suggestion | Clear focus on the definition of data standards as part of the draft amendment itself makes a lot of sense and gives a lot of clarity to the CDR participants. Additionally, the four pillars of data namely safe, efficient, convenient & interoperable |
| 1.145 | Clarification | For the information technology specifications, is there any consortium of IT companies envisaged or planned to be put in place who can contribute to the specifications. |

## Dispute Resolution

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| Point no. | Input type | Inputs |
| 1.151 | Suggestion | Since the proposal is to have internal processes for dispute resolution, it will be better to provide an outline of a framework which can be set-up and followed by all the participants in the CDR regime. |

## Compliance with and enforcement of Part IVD and the consumer data rules

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| Point no. | Input type | Inputs |
| 1.163 | Suggestion | One of the primary intent of CDR is to “benefit” the consumers. A quantitative framework in order to measure the “benefit” value can work as a true measure of the impact of initiative. Certain measurable KPIs can be assigned to measure the benefit value over a period of time. |
| 1.167 | Clarification | Failure to comply with consumer data rules does not invalidate the underlying transaction, do we foresee a scenario where in case of a failure, and the consumer gets paid by the data holder for lack of compliance by the data holder? |

## CDR Privacy Framework

## Consideration of CDR data privacy

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| Point no. | Input type | Inputs |
| 1.179 | Suggestion | Fair bit of awareness campaigns will need to be run for the consumers as well to educate & make them understand the power that CDR brings in their hands & the rights they hold as a CDR consumer. |
| 1.182 | Suggestion | “Appropriate form” can be different forms depending on the level of comfort a consumers has towards technology. Hence, it becomes important to maintain different versions of policies will need to be maintained. |
| 1.185 | Suggestion | As the banking sector is one of the first sectors and being the most financially data-sensitive sector where a lot of stress is on privacy & authentication, it will be suggestible to prohibit the use of pseudonym. |

## Collecting CDR data

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| Point no. | Input type | Inputs |
| 1.188 | Clarification | For the data collected by ADRs (and non ADRs in some cases), is there any purge frequency identified wherein the ADR should purge all the data? |

## Dealing with CDR data

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| Point no. | Input type | Inputs |
| 1.201 | Clarification | For dealing with cross border disclosure of CDR data, how will accreditations will be given to data recipients located outside of Australia? |

## Integrity of CDR data

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| Point no. | Input type | Inputs |
| 1.216 | Clarification | When a data holder shares the data with an ADR, does a copy of same data goes to the consumer as well? Which party will be accountable for maintaining the integrity of data? Cases where the data holder has already shared the erroneous data with ADR but have not informed the data consumer, how will the consumer ensure that the right data is re-sent to the ADR? |

## Correction of CDR data

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| Point no. | Input type | Inputs |
| 1.223 | Suggestion | An audit trail of the changes made to CDR should be maintained to accommodate for trail backs and reversals if necessary. The audit trail should be maintained by the Data holder. |