



17th August, 2017

ASIC Enforcement Review
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via Email: ASICenforcementreview@treasury.gov.au

Dear Sir/Madam,

Following is a submission from **Dubber Corporation Limited**, an Australian Public Company listed on the ASX (DUB), with respect to an invitation to comment on the ASIC Enforcement Review Taskforce Position Paper: **ASIC's Access to Telecommunications Intercept Material**.

We have limited our comments and recommendations to one specific area (as below) where we believe our company can deliver an innovative, technology-based solution that will meet the needs of ASIC and do so at minimal cost to all parties concerned. The specific focus of our comments on the position paper relates to the following:

ASIC ENFORCEMENT REVIEW TASKFORCE TERMS OF REFERENCE

The Taskforce will review the enforcement regime of the Australian Securities and Investments Commission (ASIC), to assess the suitability of the existing regulatory tools available to it to perform its functions adequately.

The review will include an examination of legislation dealing with corporations, financial services, credit and insurances as to:

- The adequacy of ASIC's information gathering powers and whether there is a need to amend legislation to enable ASIC to utilise the fruits of telephone interception warrants or to grant the equivalent of Federal Crimes Act search warrant powers under ASIC's enabling legislation for market misconduct or other serious offences;*

Upon completion of the Review, the Taskforce will identify any gaps in ASIC's powers and make recommendations to the Government which it considers necessary to strengthen any of ASIC's regulatory tools and as to the policy options available that:

- 1. address gaps or deficiencies identified in a way that allows more effective enforcement of the regulatory regime;*



Dubber's Response

In order for ASIC to perform its functions adequately, we believe ASIC does not need to be a “recipient agency” under the TIA Act 1979. However, the suitability of the existing regulatory tools available to ASIC does need to be addressed and it is our belief that appropriate changes to legislation can best deliver the tools ASIC requires.

We believe the Federal Parliament needs to draft **new legislation** to create similar laws to those which currently operate in Europe (MiFID II regulations) and in the USA (Dodd Frank Wall Street Reform and Consumer Protection Act) that would provide a solution by mandating the following:

- *Financial advice-based conversations between advisers and their clients must be recorded and stored for at least seven (7) years. Those recorded conversations would then be made available to the regulator (ASIC) on demand via secure and encrypted HTTPS links, ensuring authentication and integrity of the data.*

The Problem

The financial services sector in Australia is relatively unregulated regarding call recording when compared with MiFID II in Europe and Dodd Frank in USA. There has also been a limited technical capability, i.e. a recording system capable of capturing conversations outside of a call center environment. Most of the world's existing recording platforms have been (and continue to be):

- on premise
- limited in scale
- limited storage capacity

This means that not all calls can be recorded, i.e. mobile calls or telephone calls made out of office. Those calls that are recorded have significant limitations in terms of their availability and usability.

Cost is another key issue, given the inherent nature of call recording platforms with their high capital outlay for hardware and ongoing maintenance charges, thus precluding many small financial services firms from capturing and storing conversations between advisers and their clients.

Another issue relates to privacy. Almost all call recording platforms are either 'always on' or 'always off' due to the technical limitations of existing platforms. Therefore, there is no discretion as to which calls will be recorded. This means personal, non-advice related phone calls are recorded as well as business related phone calls where financial advice is given.



Our Solution

Dubber is a unique call recording platform which circumvents all these problems. It is a fully scalable, native cloud-based platform which sits on the telco networks and stores recordings without limitation, enabling total availability. The Dubber solution is provided by the financial institution's telco as part of its telecoms service eliminating capital outlay and ongoing maintenance costs for the end user.

Dubber's call recording solution is a subscription-based pricing service and is charged on a monthly basis as a software as a service (SaaS) model at circa **\$10 per month**, making it affordable to all businesses regardless of their size or location. All data is sovereign and stored on-shore in Australia.

Dubber's scale enables 'on demand' recording whereby the user can initiate recording of individual calls either **before, during or after** a call (Dubber Playback) thereby enabling compliance by policy and retention of privacy by choice.

Dubber is an Australian carrier-grade service and is a public company listed on the ASX (DUB). It has global telco clients which have deployed this solution in Europe to accommodate MiFID II regulations. We also have contracts with major US telcos including the world's largest telecommunications company, AT&T.

Dubber's API enables integration, analytics and reporting which could accommodate ASIC's current and future requirements. Core to Dubber's technical capability and business plan is the analytics and intelligence engine which is designed to extract the value from conversations, e.g. key word search and sentiment analysis. Dubber's platform is regarded as being a 'recording platform' in layman's terms. Its core design and scale, however, is built to be a voice data capture platform capable of capturing data across an entire telco network.

This opens up unlimited new user cases and, as a particular example, would enable an account administrator or regulator to build reports which automatically notify key words or sentences (e.g. "let's take this offline") or pattern matching where there is concern regarding endemic or sustained misbehaviour.

Whether it is Dubber's intelligence suite or, for example, IBM Watson (a Dubber partner), the intelligence tools can extract the information easily via the API from the voice database.

Dubber believes that, in the Financial Service Sector, this capability, whilst enabling regulation and enforcement, can serve a much more proactive purpose; namely to facilitate training of behaviour which is compliant and avoids the need to enforce or regulate.

Call recording and voice data intelligence can play a significant part in reducing risk in a self-regulated environment, reduce the instances of noncompliance as a starting point and not merely be used as an enforcement tool.



Key Points:

- Dubber is purely an OpEx model, no capital expenditure required, no hardware deployed
- Dubber can be integrated into CRM platforms where recorded calls can be indexed directly into the customer file
- Dubber is being made available as a hosted VoIP platform through major telco networks
- Dubber facilitates face-to-face conversation recording via a mobile app for Android or IOS
- Dubber's unique Playback feature enables users to choose which calls to save, such as advice related phone calls Vs personal phone calls
- Any call captured by this platform can easily be made available to the client, to an auditor or the regulator with just a simple mouse click
- A massive number of calls can be stored (in the cloud) for 7years +
- All data storage (recorded calls) is sovereign with multiple levels of redundancy
- Dubber is a proudly Australian technology, designed and developed in Melbourne

Dubber will deliver substantial benefits to the financial services industry in terms of time and cost savings and offers peace of mind to industry participants by ensuring the information advisers and planners give to their clients can be substantiated.

The Dubber platform will provide ASIC with a secure and efficient method of accessing the content of conversations between financial advisers, agents, brokers, and their clients. This will have a measurable impact on the behavior of the financial services industry, ensuring desired compliance and positive outcomes for Australian consumers of financial advice.

We look forward to providing comprehensive details about our technology solution to ASIC as and when appropriate.

Yours faithfully,

Steve McGovern

CEO

Dubber Corporation Limited