

Treasury Laws Amendment (Consumer Data Right) Bill 2018: Provisions for further consultation- Submission

SunTec Business Solutions

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1 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.



1.1 SunTec’s play in the Open banking space

- Actively working with organizations moving towards platform-based business models for the past 20 months across geographies including Europe, Middle East, APAC and now expanding in Australia & North America.
- In active conversations with about 50 banks in Europe. Closely working with them on their post PSD2 compliance Open banking strategies.
- SunTec’s offering for enterprises can enable transformation towards a true value aggregator. The advisory offering enables them identify the right platformification strategy.
- SunTec has developed itself as a thoughtleader in the Open banking space, especially in Europe.

2 Overview

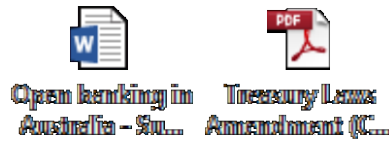
At the onset SunTec would like to thank the Australian Government for this opportunity to state our views on the Treasury Laws Amendment (Consumer Data Right) Bill 2018 and further amendments proposed on the bill. SunTec Business Solutions has been closely working on Open Banking for the past 20 months 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 & consultation named as –

- “CDR proposals for further consultation” (Word document) – Section 3.1
- “Treasury Laws Amendment (Consumer Data Right) Bill 2018 – Provisions for further consultation” (Word document) – Section 3.2

For specific feedback & suggestions and ease of reference to the document, we have mentioned the specific section names as sub-headers in section 3.1 and section 3.2 of this document.

Earlier submissions made by SunTec Business Solutions are also attached below for reference:



3 Suggestions & feedback

3.1 CDR proposals for further consultation

3.1.1 Proposal 1: Derived information (Page 7)

Input type	Inputs
Suggestion	Transaction data processing which can be based on simple rule based calculation to dynamic machine learning algorithms, should be included since these will also have impact in the open banking ecosystem.

3.1.2 Proposal 2: Interaction of the Privacy Safeguards with the Privacy Act (Page 9)

Input type	Inputs
Clarification	Is there a way to give CIA (confidentiality, integrity, availability) rating to the data requested from the consumer?

3.1.3 Proposal 3: Reciprocity (Page 10)

Input type	Inputs
Clarification	Specify how the intermediary will and the outsourced service providers interact with data holders and what will be the data to be transferred to the intermediary from the

ADR based on the consent from consumer.

3.1.4 Proposal 5: Framework for charges for access to and use of CDR data (Page 12)

Input type	Inputs
Suggestion	<p>Some of the parameters which can be considered for charging of data are mentioned below for consideration -</p> <p>Volume – Direct charging can be done based on the number of API calls.</p> <p>Value – Charging can also be based on transaction value. Pricing model can be as simple as an absolute charge or further complexity can be added by bringing in pricing models like tier based or tier on tier model.</p> <p>Tiered based charging – Further complexity on charging can be brought in based on tier based models based on number of calls, value of transaction etc.</p> <p>Pricing models – Pricing models can be one of the following - Flat absolute, Flat percentage, Tier absolute, Tier percentage, Tier on tier, Matrix pricing etc.</p> <p>Pricing plans – Pricing plans like freemium plan, subscription based pricing, pyramid based models etc.</p> <p>As a result of CDR (open banking) initiative, we will see data holders entering into partnerships & collaboration with external third parties. This will result in banks being able to offer complementary products & services to the end consumers. Banks will also have revenue sharing agreements & contracts maintained with the third parties. Third parties will get incentivized for selling products on behalf of the bank and vice versa. Thus, the larger intent of open banking will be to enhance competitiveness in the market and incentivize the end customer from the collaboration and innovation happening between banks and TPPs.</p>

3.2 Treasury Laws Amendment (Consumer Data Right) Bill 2018 – Provisions for further consultation

3.2.1 Definition of CDR consumer (Page 8)

Input type	Inputs
Suggestion	<p>A more definitive way of defining “identifiable” or “reasonably identifiable” entity can be arrived at by providing some parameters based on which identity can be established. For example, for an individual, a name cannot be said as an identifiable information, name combined with DOB also cannot be qualified as an identifiable information. However, passport number can qualify an identity since an individual can be uniquely identified through his/her passport number.</p>

3.2.2 Participants in the Consumer Data Right system (Page 11)

Input type	Inputs
Acknowledgement	<p>The categorization of data holders in three categories (as designated data holders, reciprocal data holder, receiving data holder) brings in more clarity on the data holding rights and categorization of data on the type of data that data holders are entitled to hold.</p>

Suggestion	Customers should be notified that their data can be sent to non - ADR and also track if there is any changes to the data.
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3.2.3 Principle of Reciprocity (Page 16)

Input type	Inputs
Suggestion	When the ADR gets the consent to transfer the consumer data to third party, ACCC should identify some framework to maintain an audit trail of all the data transfers that happens between subsequent parties. The framework can act as the centralized system for the customer consent tracking and all the data movement / modification happening on the consumer data.

3.2.4 CDR Privacy Framework (Page 17)

Input type	Inputs
Suggestion	An audit trail of the changes made to CDR should be maintained (who, when, and what changes) to accommodate for trail backs and reversals if necessary. The audit trail should be maintained by the data holder.

Input type	Inputs
Suggestion	When the data holders are required to maintain an internal policy to define “how” part of CDR data, a general outline of the policy framework can help in standardization of policies across all the data holders. This will also help in easing out the common understanding for the end consumer.

Input type	Inputs
Suggestion	In case of unsolicited information being held by the data holder, the consumer should be made aware of the data holding by the data holder, further action that the data holder is going to take on the unsolicited data and reason (source) for the unsolicited information.