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ABN: 80 144 644 244  
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Attention: The Treasury  
regmod@treasury.gov.au

To whom it may concern,

CreditorWatch would firstly thank the Australian Treasury for the opportunity to contribute to the “Modernising Registry Fees” consultation whitepaper. CreditorWatch has been a “wholesale” user of ASIC as an Information Broker since 2011 and currently works closely with ASIC and the broker support team on a daily basis. During this time as an Information Broker, CreditorWatch has delivered over 20 million credit reports that may include ASIC extract information. Serving over 50,000 customers CreditorWatch has intimate knowledge of the retail user’s needs including their onboarding, technical and due diligence processes, along with how retail users leverage company data through ASIC extracts and their on-going changes.

Please find attached CreditorWatch’s response below in Appendix A.

Thanking you,

A handwritten signature in black ink, appearing to read "Joseph Vartuli".

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## Appendix A

The collection and management of accurate business information is vital to enforce accountability, enforce decisions around businesses and their operators, reduce fraud, money laundering and corruption and therefore provides a critical role within the private and public sectors of the Australian economy. ASIC has taken on a larger role in the 20 years since its inception and inherited numerous services and functions that require management, some of which have had very little updates in enhancements, product design or innovation. For these reasons, it is imperative that regardless of the pricing model chosen, the Australian Treasury must ensure that the collection, management, accuracy and availability of said data remains paramount to any other objective.

Within the MBR Consultation Whitepaper, items one through to four relate to search fees through retail and wholesale channels and infrastructure fees for those that require access to bulk information. CreditorWatch supports the reduction but more so, supports the free access of company information. The reliance of company information to perform customer or supplier due diligence, automate business processes or to power technical platforms, is critical yet has an uneven impact on smaller businesses who are at a resource disadvantage.

Know Your Customer (KYC) / Know your Business (KYB) is fast becoming a standard business process and with Tranche Two of the Anti-Money Laundering and Counter-Terrorism, Financing Act 2006 approaching, there is a greater proportion of small businesses that will be regulated to perform such actions that is both resource and financially intensive. CreditorWatch also identifies that we are in a digital age where the availability and accessibility of this data creates innovation and efficiencies for businesses. Australia is falling behind the rest of the world in which company registration information is open for both retail and wholesale, the difference between the two is most notably through bulk access (or API) requirements. If search fees were simply reduced, CreditorWatch would highlight the following points:

1. Wholesale search fees should not exceed those of retail
2. Wholesale search fees should not be tiered as it provides a competitive disadvantage to smaller wholesalers

CreditorWatch would also highlight that regardless of search fees, wholesalers provide innovation and business process enablement through bulk information sharing/purchasing with ASIC and these bulk transfer requests should remain available for wholesalers. CreditorWatch does recognise that wholesalers, through API and bulk transfer requests, can provide a different business model that may impact



the future technical and business operations of the ABRS. If an infrastructure payment model were to be put in place, CreditorWatch has a strong preference to a standardised monthly subscription model that provides equal and fair access to the ABRS. CreditorWatch would not support any models where a wholesaler can be placed at a financial or data advantage. Such models that would benefit a wholesaler over another would be through a pay-as-you-go, a subsidised tiered subscription model based on purchases or any other model where discounts or volume pricing may apply due to that wholesaler's customer base or financial resources. This approach reduces competition, innovation and ultimately does not benefit the end consumer. It should be noted that with an infrastructure payment model, if search fees are maintained, consideration must be given to providing wholesalers with said search fees at a lower rate than retail users. Wholesalers play a vast role in the integration of company information into end user systems, innovation through data aggregation and amalgamation, provide front line tier 1 support for tens of thousands of retail users and manage the billing and collection on behalf of ASIC and in the future the ABRS.

The MBR Consultation Whitepaper discusses privacy concerns and the possibility of how reductions of fees may introduce fraudulent behaviour. These concerns can be alleviated with wholesalers who can obtain but cannot disclose private director/shareholder information to assist in the KYC/KYB processes to retail users. Privacy concerns and its regulation responsibilities can be distributed to wholesalers who can perform verification and due diligence processes of retail users. It would be evident however that many countries, such as the United Kingdom and New Zealand, disclose what Australia would deem private information and Australia should consider addressing the underlying concerns. The compliance savings by distributing through wholesalers should also support reduced search fees for wholesalers in relation to the retail user.

In summary, CreditorWatch is in favour of reducing or removing search fees and believe that it will bring further innovation and economic stimulus to the Australian economy. CreditorWatch does maintain that an infrastructure cost is viable and can duly reflect the additional operational impacts that wholesalers can impose on the ABRS, however the introduction of such infrastructure cost models must not allow a competitive advantage to any wholesaler.