



26 October 2018

Consumer and Corporations Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
By email: [regmod@treasury.gov.au](mailto:regmod@treasury.gov.au)

Dear Sir/Madam,

**Modernising Business Registers and Director Identification Numbers draft legislation**

illion welcomes the opportunity to provide feedback to Treasury regarding the Modernising Business Registers and Director Identification Numbers draft legislation.

illion fully supports the Australian Government's objectives, outlined in the 2018-19 Budget, to modernise the Government's business registers and provide a business case to provide options for improving the integrity and accessibility of business information, and increasing the efficiency of registry services.

In particular, illion strongly supports the introduction of a Director Identification Numbers (DIN), which will assist in achieving the Government's objective to improve the quality, trustworthiness and accessibility of business data. We believe that having access to high quality, up-to-date business data not only provides a macroeconomic benefit to the business community but also helps to provide our customers with trusted insights on Australian businesses.

About illion

illion, formerly Dun & Bradstreet, is a data and analytics business, operating in Australia since 1887. Using extensive credit and commercial databases, we assist banks, other financial services providers and other businesses to make informed credit and risk management decisions, and help consumers access their personal credit information. Our data assets, combined with our end-to-end product portfolio and proprietary analytics capabilities, enable us to deliver trusted insights to our customers and facilitate confident and accurate decision making.

illion is highly invested in the Australian market with over 130 years of data history and experience. This experience combined with in-depth research, advanced analytics capabilities, and a comprehensive view of the data landscape, have made illion the market leader in Australia.

illion has recently announced the launch of a Trust Registry to enable businesses to look at Trusts, and the people behind them, in order to deal confidently with them. We understand how to structure data to provide value to the market.

## Comments on the Draft Legislation

illion is broadly supportive of the proposed legislation in its current form; the draft legislation provides a flexible foundation on which further detail can be introduced via regulations. We would, however, offer select comments on specific areas of the draft, which are of greatest relevance to illion.

We support the functions and powers of the registrar as proposed, and agree that the registrar should perform its function and powers in accordance with the data standards and other Commonwealth laws. We also agree that the registrar should be able to make data standards on matters relating to the performance of their functions and the exercise of their powers. This will maintain a flexible approach to the setting of new standards in the future, in accordance with changing practices and evolving technology.

While illion supports a robust approach to data protection via a disclosure framework, we suggest that the maximum penalty for disclosing registry information (imprisonment for two years) may be somewhat excessive. We would caution against this provision, as it is out of step with the privacy framework currently set by the *Privacy Act 1988* (Cth).

### *Director Identification Numbers*

Provisions in the draft legislation relating to the introduction of a DIN are of greatest relevance to illion. Again, we are broadly supportive of all measures outlined in the draft law, for example, we support the imposition of a 28-day timeframe for directors to apply for a DIN under the new scheme.

We strongly believe that a focus on ensuring that the data is accurate, using commercially available matching techniques and commercially available Electronic Verification procedures, will simplify and speed the introduction of a DIN. We have previously provided examples of basic data entry errors (directors born in 1794, not 1974), multiple instances of one director and deceased directors on the database. Getting the data clean and verified using background processes is strongly recommended as a precursor to involving individuals in re-verifying their own information.

### *Publicly available data*

Our primary concern is the potential limitation of publicly-available information, which we understand may be curtailed under the new scheme. We believe that a DIN should be added to the current sets of data available, rather than put in place of data (for example, names and addresses). By allowing more access to data in the public space rather than less, the private sector will be able to use advanced analytic matching capabilities to link a single director and identify fraudulent behaviour. As per Treasury's discussion paper released earlier this year, we agree that providing more access to data would both enhance economic activity and reduce economic losses for businesses through fraud and business misconduct.

Understanding the individual behind a business, and with consent, being able to access relevant credit reporting information on that individual is essential to the effective assessment of the creditworthiness of the company or business.

illion has proprietary matching technology that allows us to make these linkages to the individuals credit file which uses information that is available from ASIC today, including full name, residential address and date of birth. Any reduction in the availability of this data to illion would result in an inability to make these linkages. The consequences of such a situation would be a restriction in the ability of credit providers to confidently lend to small and medium businesses, where director credit history is most critical.

Establishing these linkages are also essential for designated entities under the AML/CTF provisions to make the appropriate enquiries to establish the ultimate beneficial ownership of their customers, as well as to reduce the chance of falling prey to phoenix type fraud schemes.

#### *Prospective directors*

Under the draft legislation, the registrar may provide a DIN to a person who has applied for one and is either a director, or intends to become a director within 12 months. illion supports this measure, and seeks further information on whether a database will be created which provides the names of prospective directors.

#### *Commencement*

We understand that the new requirements will commence on a date set by proclamation, but that if any provisions do not commence within 24 months of the Bills receiving Royal Assent, they will automatically commence the day after the end of that period. illion considers a 24-month lead-in period sufficient. However, we would stress the need for proper consultation and communication throughout this period, to allow for the introduction of internal system changes, and appropriate communication with our customers. Two years ago, the Federal Government's attempt to streamline the registration of businesses (using a single business identifier) was scrapped due to a rushed and inadequate consultation process.

If there are any questions or concerns arising from this letter, please feel free to contact me at any time at [REDACTED]

Yours sincerely,



**Steve Brown**  
**Director- Bureau Engagement**