



# DIGITAL CLIENT IDENTITY:

PROTECTING YOUR BUSINESS  
AND YOUR CUSTOMERS' PRIVACY

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**TUESDAY 31ST JAN 2023 - 3PM**  
SOFITEL SYDNEY WENTWORTH



# Introduction

## DIGITAL CLIENT IDENTITY:

Protecting your business and your customer's privacy

**Introduction:** **Mark Waller**  
Managing Director,  
One Click Group Ltd (ASX:ICG)

**Keynote:** **Matt Huntington,**  
ID Matching Services, Identity & Biometrics Design & Delivery Branch,  
Department of Home Affairs

**Keynote 2:** **Nathan Kerr**  
Chief Technology Officer & Executive Director  
One Click Group Ltd (ASX:ICG)

**Panel Discussion:** **Both presenters plus special guests**



# Working Digital

The world has changed – have we kept up?

“In this complex environment, it is no longer sustainable to expect individuals to be on constant guard to protect the security and integrity of their personal information. Australia’s privacy framework – and organisations entrusted with personal information who operate within it – must protect this data upfront.”

Office of the Australian Information Commissioner, Submission o the Privacy Act Review Discussions Paper December 2021

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**“88%** of executives think their customers are changing faster than their businesses can keep up.”

Accenture

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“I want to transact with you digitally, can you verify my identity data is secure?”

Consumer



# Your identity data

## OPTUS

### 9.8m Australians impacted

"We are devastated to discover that we have been subject to a cyberattack that has resulted in the disclosure of our customers' personal information to someone who shouldn't see it,"

Kelly Bayer Rosmarin, Optus CEO.

### Office of the Australian Information Commissioner (OAIC) website;

"The OAIC's investigation will focus on whether the Optus companies took reasonable steps to protect the personal information they held from misuse, interference, loss, unauthorised access, modification or disclosure, and **whether the information collected and retained was necessary to carry out their business.**"



# Your identity data

## MEDIBANK

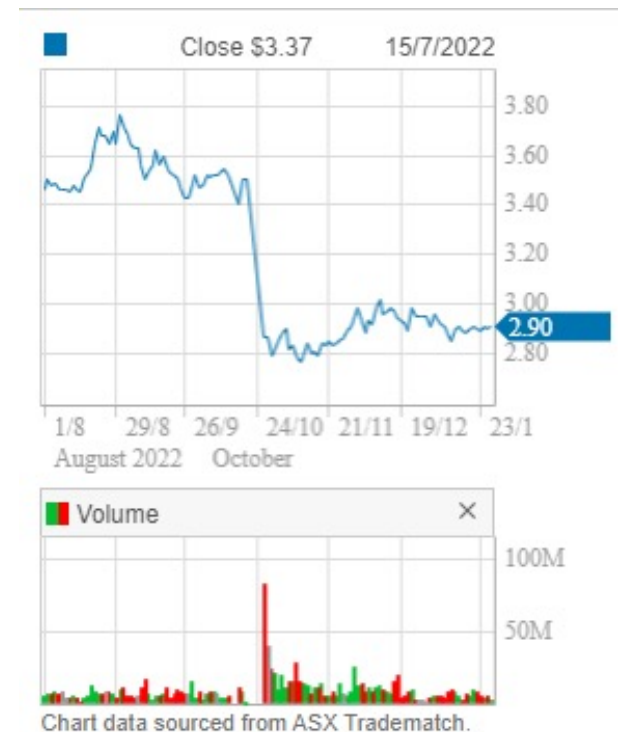
### 9.7m Australians impacted

"...I unreservedly apologise to our customers. We remain committed to fully and transparently communicating with customers and we will continue to contact customers whose data has been released on the dark web."

David Koczkar, Medibank CEO.

### Office of the Australian Information Commissioner (OAIC) website;

"If the investigation finds serious and/or repeated interferences with privacy in contravention of Australian privacy law, then the Commissioner has the power to seek civil penalties through the Federal Court of up to \$2.2 million for each contravention."



# Your identity data

## RI Advice

### \$750,000 fine

"Federal Court has found Australian Financial Services licensee, RI Advice, breached its license obligations to act efficiently and fairly when it failed to have adequate risk management systems to manage its cybersecurity risks."

### ASIC website;

"Cybersecurity risk forms a significant risk connected with the conduct of the business and provision of financial services. It is not possible to reduce cybersecurity risk to zero, but it is possible to materially reduce cybersecurity risk through adequate cybersecurity documentation and controls to an acceptable level."

Sarah Court, ASIC Deputy Chair



# Your identity data

## Amazon fine

GDPR Violations

US\$886  
million



## WhatsApp fine

GDPR Violations

€225  
million



# Why retain identity data?

## Why are the companies that we deal with retaining and storing identity data?

### Commonwealth Bank Privacy Policy:

While we are required to collect some types of personal information to meet our legal obligations, we do attempt to keep our collection of your personal information to what is necessary to offer you the products and services you require. Depending on those products and services, or your interactions with the members of the CommBank Group, we may collect the following types of personal information:

#### Australian Government related identifiers and identity documents

These may include your:

- Tax File Number and country of tax residency
- Medicare card, Australian passport, driver licence, or pension card details
- Securityholder Reference Number (SRN) or Holder Identification Number (HIN)
- Citizenship, birth, death and marriage certificates (for example, to verify your identity).

#### How we use your personal information

Serving you as a customer

#### Lawful grounds we may rely upon

- To perform and fulfil contracts
- To meet our legal duties
- For legitimate interests to enable us to perform our obligations and to provide our services to you





# Privacy Legislation Amendment Bill

The Privacy Legislation Amendment Bill received royal ascent on December 12 2022 with an increase in penalties from \$2.2m to \$50m

“The updated penalties will bring Australian privacy law into closer alignment with competition and consumer remedies and international penalties under Europe’s General Data Protection Regulation.”

Angelene Falk, Australian Information Commissioner and Privacy Commissioner



Do the companies you deal with still want to retain identity data?

Is there a better way?



**IDMatch**

# Identity Matching Services

Matt Huntington

Assistant Director, Identity Matching Services Ops and Delivery Section



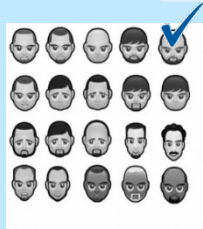
Identity and Biometrics Design and Delivery Branch / Cyber Digital and Technology Policy Division

Department of Home Affairs

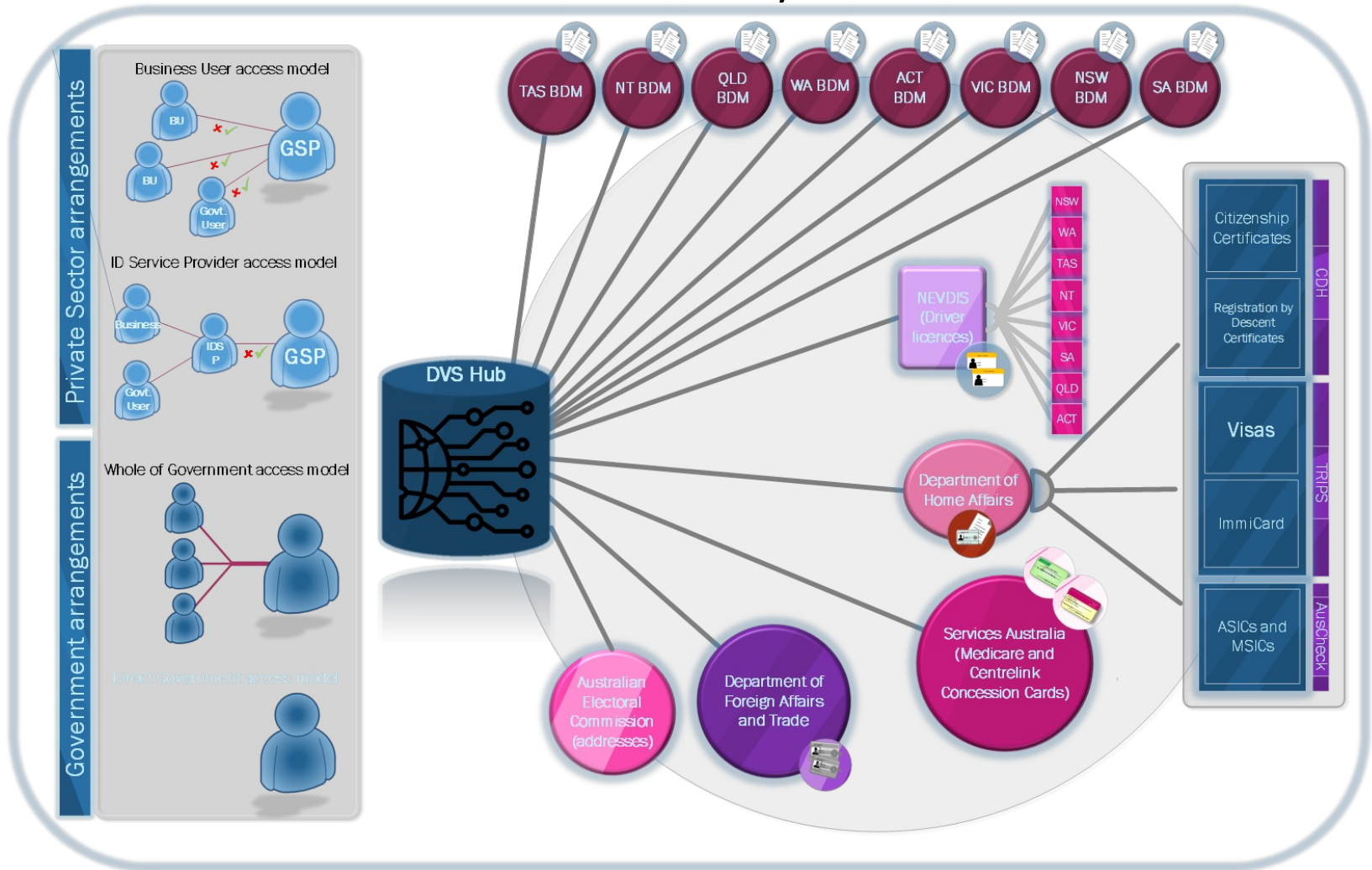
Wednesday 2 November 2022



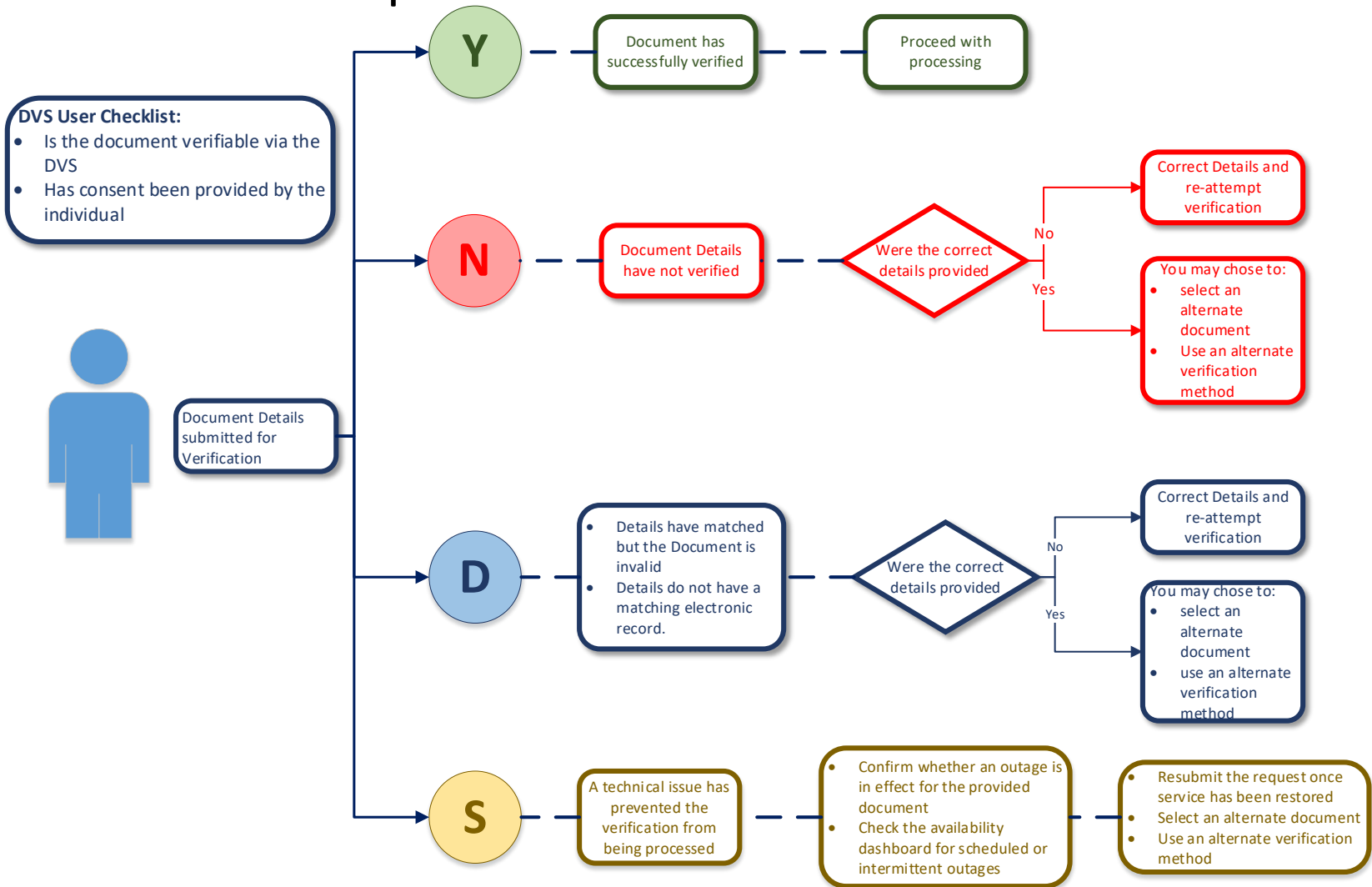
# IDMS Services

Service Name	DVS	FMS	
		FVS	FIS
Service Provided	<p>Does this document exist?</p> 	<p>Is this photo (and doc) genuine and/or match the person claiming an ID?</p>  <p>Match – Retrieve – Search</p>	<p>Who is this face? Do we know this face?</p> 
Data Sources	<p>BDM* NEVDIS* DHS APO Home Affairs</p>	<p>Driver Licences (NDLFRS)* Passports Visa and Citizenship</p>	

# The DVS ecosystem



# DVS User Experience

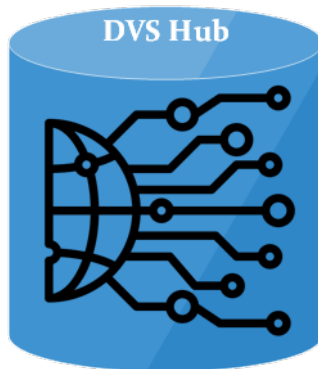
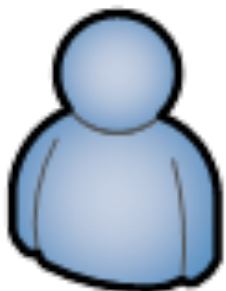


# IDMS & handling personal information



# Double blind

Requesting organisation



Issuing organisation



Unique reference numbers

Unique reference numbers

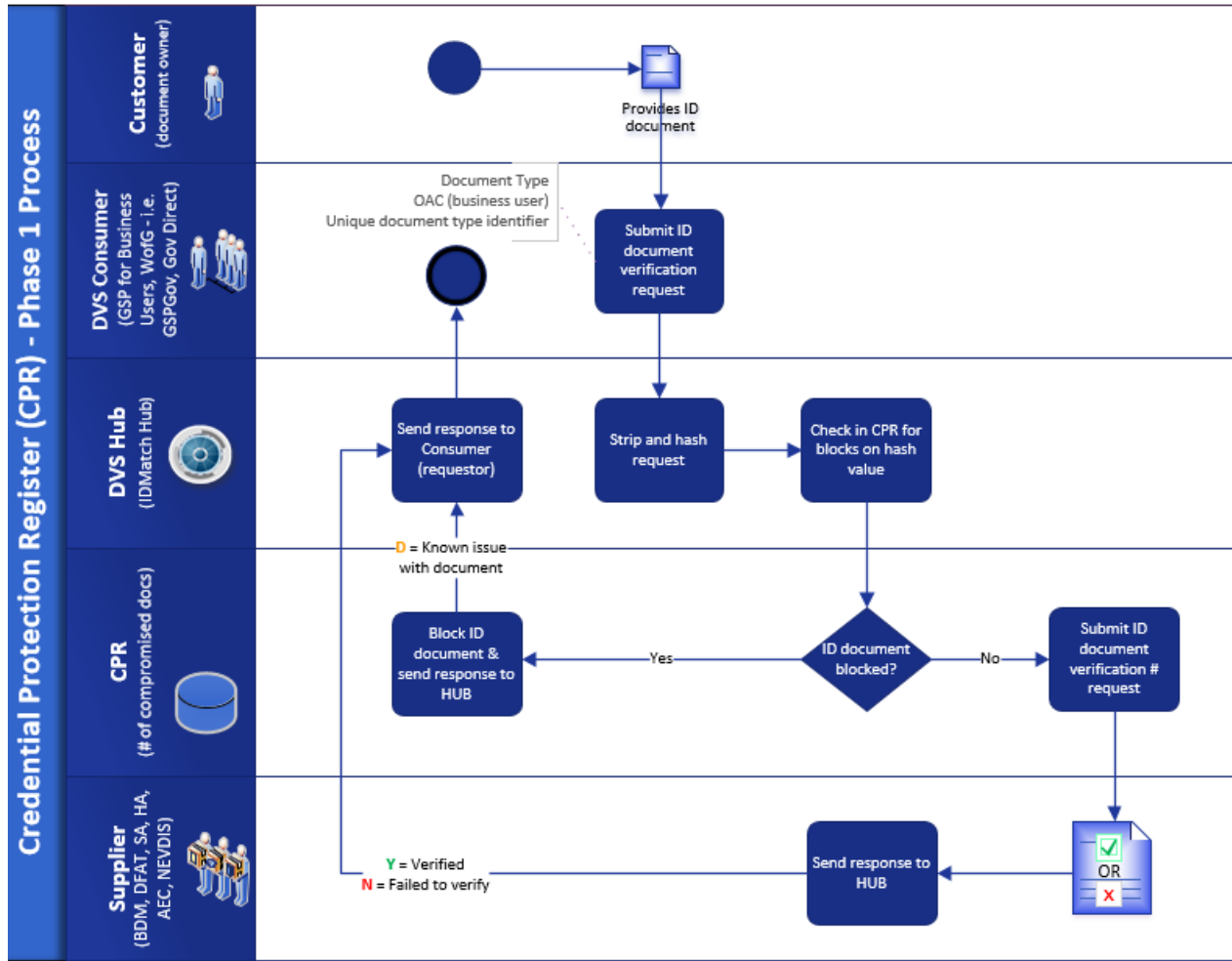
Requesting Agency							
Source VRN	HubVRN	Customer record	Source	Biographics	Doc type	Requesting Agency	Date/time
95e05e60-4712-46fa		John Doe	Location/IP/User	Doc Number	WA DL	Commonwealth	01/01/2023 9:00am
Document Verification Service							
Source VRN	HubVRN	Customer record	Source	Biographics	Doc type	Requesting Agency	Date/time
95e05e60-4712-46fa	OKN255049706			Doc Number	WA DL	Commonwealth	01/01/2023 9:00am
Official Record Holder							
Source VRN	HubVRN	Customer record	Source	Biographics	Doc type	Requesting Agency	Date/time
	OKN255049706			Doc Number	WA DL		01/01/2023 9:00am



# Credential Protection Register (CPR)



# Credential Protection Register



# Secure - private



hello = 3338be694f50c5f338814986cdf0686453a888b84f424d792af4b9202398f392

# The future of the CPR

## Phase 1

- 'D' response



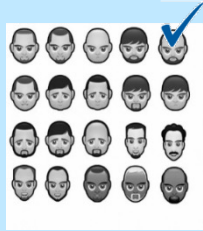
## Phase 2

- 'Y' response

## Phase 3

- Notification + Control

# Face Verification Service

Service Name	DVS	FMS	
		FVS	FIS
Service Provided	<p>Does this document exist?</p> 	<p>Is this photo (and doc) genuine and/or match the person claiming an ID?</p>  <p>Match – Retrieve – Search</p>	<p>Who is this face? Do we know this face?</p> 
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# DISCLAIMER

This presentation is intended to be for information only. While it seeks to provide practical assistance and explanation it does not exhaust, prescribe or limit the scope of relevant legislation and regulations.

In addition, please note that the principles and examples in this presentation do not constitute legal advice and do not create additional rights or legal obligations beyond those that are contained in existing laws.



# Legislation and Regulators of STD

## (Storage and Transmission of Data)

- Privacy Act 1988
- The Privacy Legislation Amendment (Enforcement and Other Measures) Bill 2022
- The Privacy (Tax File Number) Rule 2015
- Privacy Amendment (Notifiable Data Breaches) Act 2017
- Anti Money Laundering Counter Terrorism Finance Act 2006
- General Data Protection Regulations (Regulation (EU) 2016/679)
- Consumer Data Rights
- Corporations Act 2001
- Financial Planners and Advisers Code of Ethics 2019
- Tax Agent Service Act 2009
- AUSTRAC
- ASIC
- OAIC
- ATO





## “ Record keeping obligations for customer identification procedure records

AUSTRAC provides guidance to industry on their [Record-keeping obligations](#) including for customer identification procedure records. You can also refer to the relevant sections of the AML/CTF Act and relevant chapters of the AML/CTF Rules.

The AUSTRAC website states the following (under the link above): A reporting entity using the [Document Verification Service \(DVS\)](#) as part of their applicable customer identification procedures, must keep a record of the results. This could include printing, saving, scanning or making a file note of the results of their search. ”

- Specialist, Industry Education and Outreach  
25<sup>th</sup> January 2023



“ We and the TPB do not recommend retaining identification documents. Retaining identification documents may increase your risk of being targeted by criminals undertaking identity theft. Instead, you should maintain contemporaneous records to demonstrate that proof of identity steps were undertaken. ”

### From TPB website: **Record Keeping**

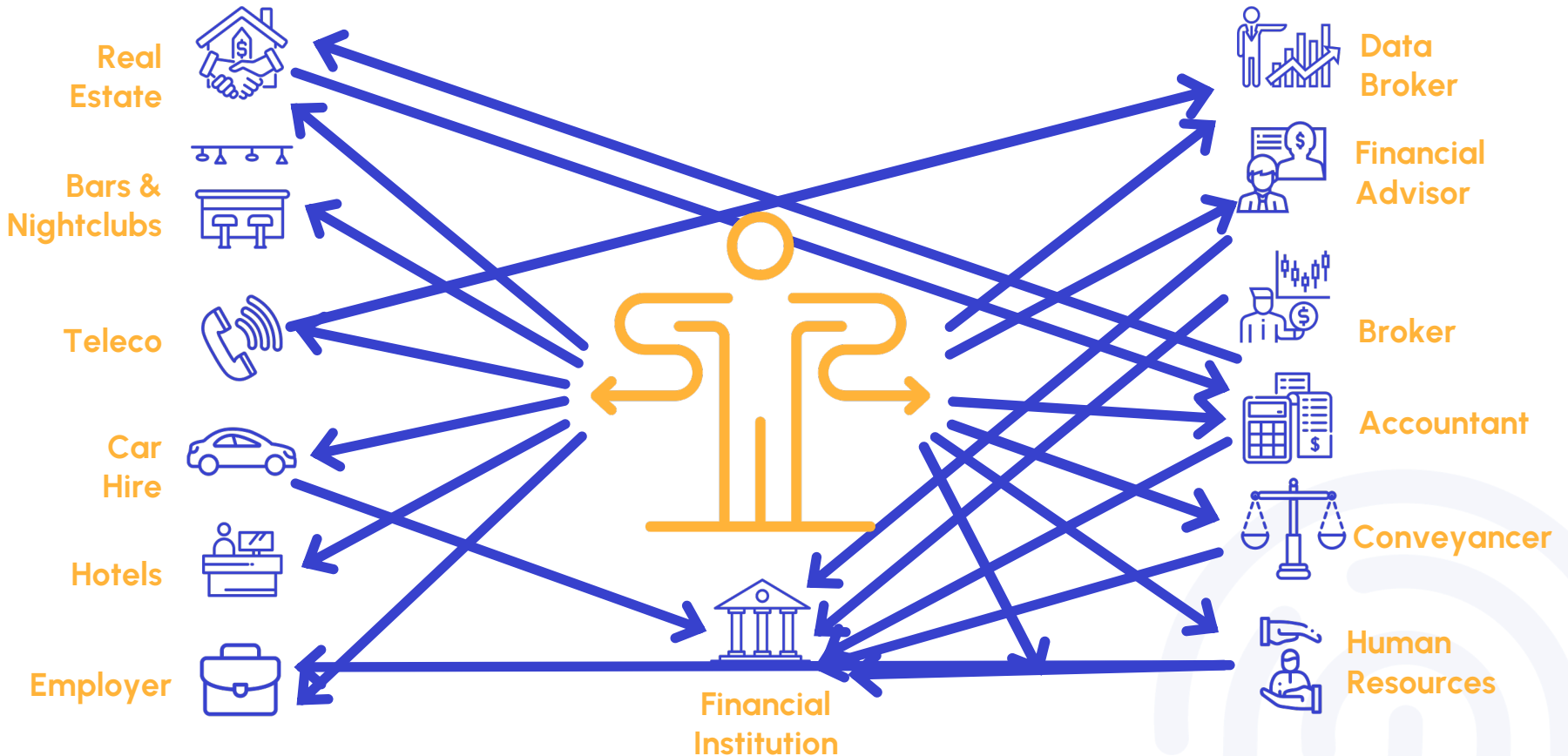
The TPB does not require or recommend that registered tax practitioners retain copies or originals of identification documents (listed in Table 3) used as evidence to establish the identity of a client or their individual representative. This recognises that the retention of identification documents may increase the risk of registered tax practitioners being targeted by criminals undertaking identity theft.<sup>[10]</sup> Accordingly, what the TPB requires is a contemporaneous record (for example, a checklist) to demonstrate that proof of identity steps were undertaken by registered tax practitioners.

- Digital Partnerships Planning & Governance  
17<sup>th</sup> January 2023





# What a current STD looks like



# Losses that can occur from STD

## First Party Losses

Ransom costs

The cost of repairing and restoring systems, or improving security

Business interruption losses

Reputational damage

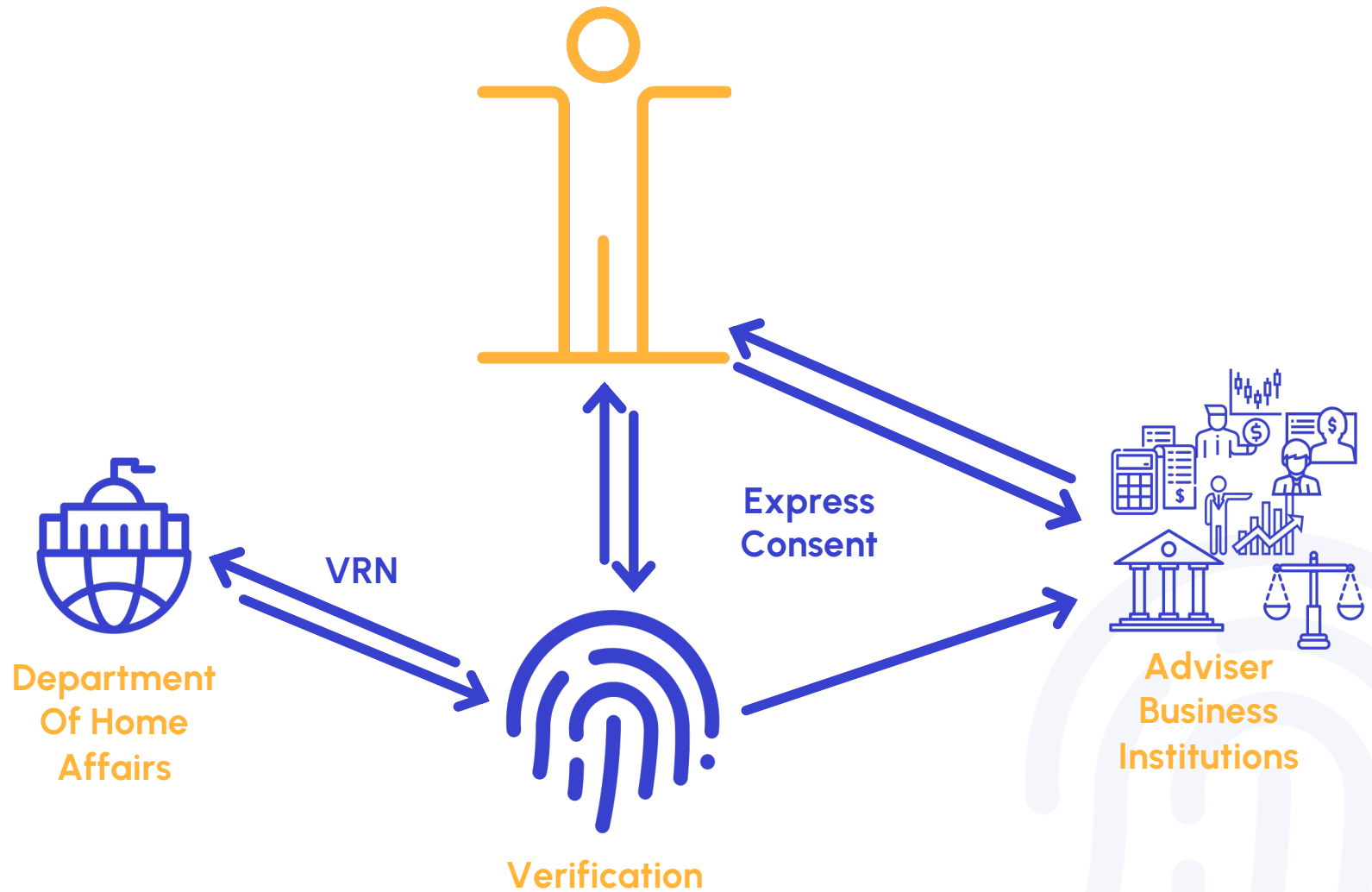
## Third Party Losses

Liability in negligence for failing to properly protect client information

Fines imposed by regulators



# STD in Utopia



# Useful links

## Legislation and Regulators of STD

- <https://www.oaic.gov.au/privacy/privacy-for-organisations/trading-in-personal-information>
- <https://ministers.ag.gov.au/media-centre/parliament-approves-governments-privacy-penalty-bill-28-11-2022>
- [http://www5.austlii.edu.au/au/legis/cth/consol\\_act/pa1988108/s13g.html#:~:text=\(b\)%20the%20entity%20repeatedly%20does,penalty%20provisions%20in%20this%20Act](http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1988108/s13g.html#:~:text=(b)%20the%20entity%20repeatedly%20does,penalty%20provisions%20in%20this%20Act)
- The General Data Protection Regulation (Regulation (EU) 2016/679) (GDPR)
- Anti Money Laundering and Counter Terrorism Finance Act for AML / CF Parts 7 (sections 80 to 93)
- Privacy Act 1988 – Sect 26 WG
- Corporations Act s 912A(1) & [http://www5.austlii.edu.au/au/legis/cth/consol\\_act/ca2001172/s912a.html](http://www5.austlii.edu.au/au/legis/cth/consol_act/ca2001172/s912a.html)

