Welcome to the MBR Design Working Group – 13 April

Thank you for joining us, we will begin the meeting at 01:30pm AEDT

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  - Australia Toll 2 +61-2-9338-2221
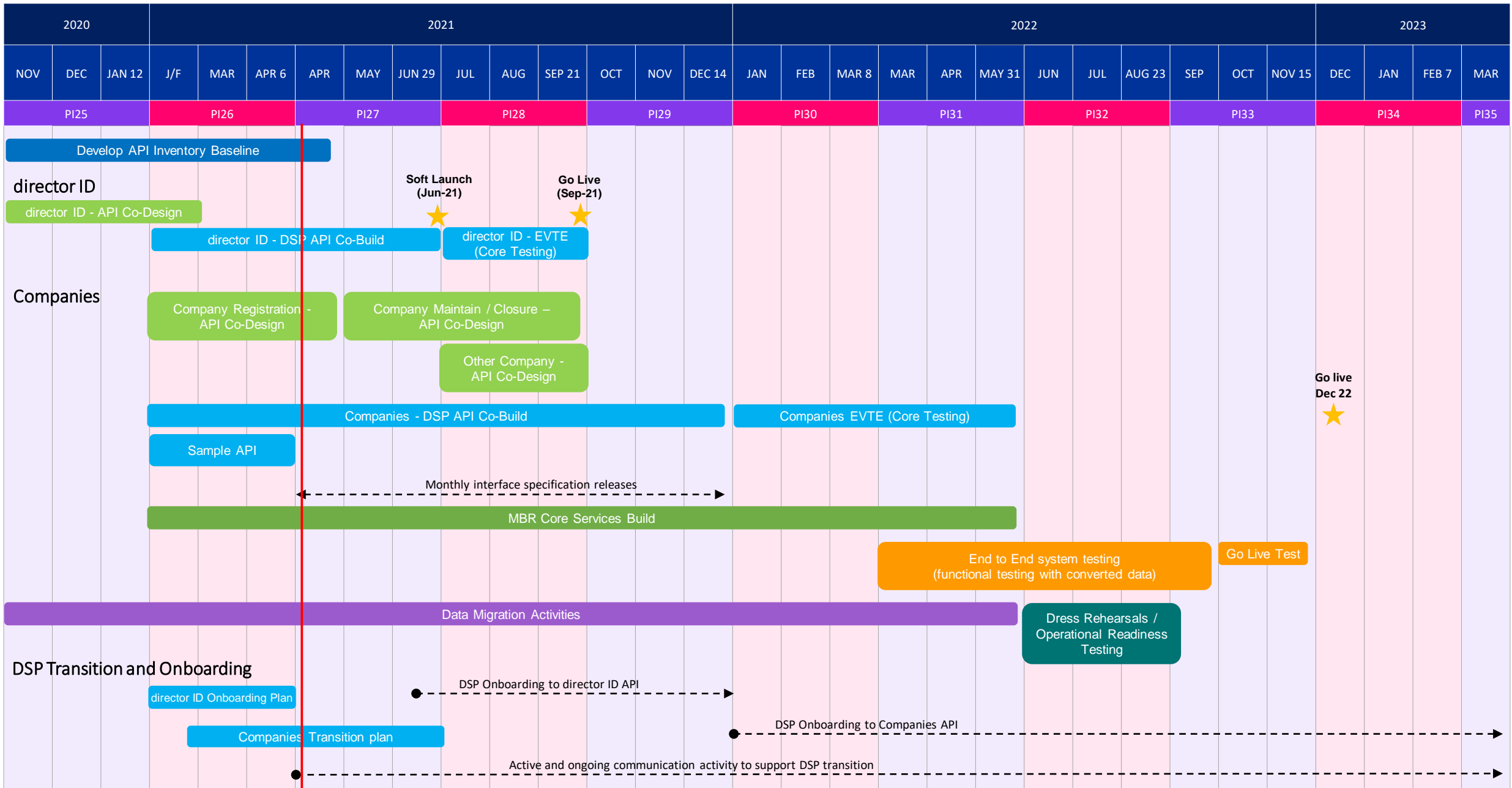
MBR Design Working Group

13 April 2021

Australian Government
Australian Taxation Office

Open action items

Action item	Status	Who	Action
DWG-24	Open	DWG Secretariat	Consider the alignment between the Consumer Data Right and the disclosure framework for the Validate Director ID API.
DWG-26	Open	Natalie Ross	Reflect the member preference for the implementation of e-invoicing through MBR
DWG-27	Complete	DWG Members	Interested members to nominate DSP Support Staff and DSP users to be part of agent experience consultation via MBRengagement@ato.gov.au

MBR program roadmap

	2020			2021										2022											2023		
NOV	DEC	JAN 12	J/F	MAR	APR 6	APR	MAY	JUN 29	JUL	AUG	SEP 21	OCT	NOV	DEC 14	JAN	FEB	MAR 8	MAR	APR	MAY 31	JUN	JUL	AUG 23	SEP	OCT	NOV 15	DEC	JAN	FEB 7	MAR

PI25	PI26	PI27	PI28	PI29	PI30	PI31	PI32	PI33	PI34	PI35

Develop API Inventory Baseline

director ID

director ID - API Co-Design

Soft Launch (Jun-21) ⭐

Go Live (Sep-21) ⭐

director ID - DSP API Co-Build

director ID - EVTE (Core Testing)

Companies

Company Registration - API Co-Design

Company Maintain / Closure – API Co-Design

Other Company - API Co-Design

Go live Dec 22 ⭐

Companies - DSP API Co-Build

Companies EVTE (Core Testing)

Sample API

Monthly interface specification releases ◀----------▶

MBR Core Services Build

End to End system testing (functional testing with converted data)

Go Live Test

Data Migration Activities

Dress Rehearsals / Operational Readiness Testing

DSP Transition and Onboarding

director ID Onboarding Plan

DSP Onboarding to director ID API ●----------▶

Companies Transition plan

DSP Onboarding to Companies API ●----------▶

Active and ongoing communication activity to support DSP transition ●----------▶

Draft

DIGITAL SERVICE PROVIDERS

INTERMEDIARIES & INDUSTRY PROFESSIONALS

BUSINESSES & OTHER ENTITIES

Notes

DWG focus group: director ID

Tuesday 31 March 2021

Contents

Australian Government

Summary

A DWG focus group session on director ID was held on 31 March 2021

Participants

Andrew Smith, MYOB
Chris Denney, ABSIA
Erin Adams, Xero
Richard Atkinson, Illion
John McCarthy, Pitcher Partners
Warren Renden, BGL
Ramya Balasubramanian, MYOB

Representatives from:
- Treasury
- ASIC
- MBR program.

Purpose

☑ Continue to discuss and agree our problem statement, user stories and constraints.

☑ Generate options for meeting user needs.

☐ Select the best options for solving our problem statement.

Outcomes

Agreed the problem statement and user stories.

Talked about options.

Agreed next step is for MBR program to clarify/confirm what is feasible to do.

Thank you to Warren Renden and John McCarthy for participating in the session held on 17 March to generate options.

Next steps

Tammy Gardner to progress work within MBR program to clarify/confirm feasibility of options generated.

Report back to DWG on 13 April 2021.

Problem statement and user stories

Every person who is or intends to be a director needs to apply for a director ID themselves using myGovID

As an agent or company secretary I want to…	Identify who needs a director ID	Inform them they need a director ID	Help them get a director ID	Know if they have or haven't applied for a director ID	Store a valid director ID that belongs to the director in my software
Ideas	A **bulk RA71** to make it easier for agents to use current ASIC register data to identify who needs a director ID. ❓ Is it possible to enable a bulk RA71 request with just officer details for all the companies the agent looks after?	**Communication material:** • government branded material on requirement to have a director ID (what and why) • white label messaging (how including myGovID and info to have at hand)	Send directors an email with information on what, why and how of director ID and a link to the online service to apply. ❓ Is it possible to use a unique link? Would a unique link need an agent identifier?	A way to **track if** the director has applied e.g. unique link has been used and if it has, the result (i.e. pass or fail) and if fail, the reason (e.g. failed to establish identity at proof of record ownership step).	A smart way to **put the number in the software,** want to avoid someone having to key it in. A way to **verify** that the director ID is valid and belongs to this person (name, address, DOB, place of birth). A way to **resolve mismatches**.
Current state	Agents can identify directors. Agents and others can lodge changes with ASIC, data in software may not match ASIC. Agents can lodge a *RA71 Request Electronic Data Download* to compare ASIC register with details held in their software, limit of 100 companies a request.	Director's contact details, including email address, are stored in software. Note: DSP doesn't communicate directly with the company or director. DSP provides agent with the tool/software they use.	It's not possible to use a deep link to the director ID application service – any link would go to the webpage.	Applicants will self-assess eligibility for a director ID. Eligibility rules such not being disqualified or bankrupt will be managed after the director ID is issued.	A person may have been appointed as a director using a different name to the one they use to get their myGovID. Director ID application is pre-filled with myGovID details.

Bulk RA71 idea

There are multiple sources of updates to companies register.

Data held in agent's software can get out of sync with companies register.

The existing RA71 request enables agents to compare data held in software with the companies register:

- there is a limit of 100 companies for each request

- only returns data for companies that the agent is registered for (uses corporate key).

A company can only have one registered agent in ASIC system.

A bulk RA71 request would make it easier for agents to verify who the directors of a company are at the point in time when the agent is ready to issue an email to encourage directors to apply.

The service could return the same or less data i.e. current officers x company would suffice.

It was noted that any changes to the existing ASIC systems is unlikely to be feasible.

Next step

Tammy to talk with ASIC about the feasibility of a bulk RA71.

Unique link idea

Use software to send email to director with unique link/application ID

Director clicks link – uses myGovID to log in to retail service and apply

If successful, director ID is displayed on screen

Use software to call MBR to return result for the application ID/reference no.

Number returned is stored in software against person's record

MyGovID prefills name, DOB.

Unique link could be generated by software or MBR could provide a list of numbers for agent to use to provide the connection back to the agent.

❓

Would a reference number that is linked back to the agent be enough to enable a disclosure?

❓

How would agent know person tried to apply but was unsuccessful and reason why?

MBR data on director ID:
- has this person got a director ID?
- if yes, what is it?

We have user tested a consent model for sharing director ID – hard to explain but people tended to tick.

.

What if user enters the application ID/reference number in their application?

This could be done fairly easily.

❓ MBR authorisation model is not in place yet. How would MBR know agent is an agent of the company?

There are existing agent agreements in place between the company and the agent. ASIC uses these arrangements and the corporate key to authenticate service requests now.

Closing comments

Context

Agents are key point of leverage for success of MBR program including onboarding directors.

One agent looking after 250 companies can reach 500-600 directors.

Agents will need to be able to act for company for Tranche 2. Need to resolve legal framework for agents acting on behalf of companies now.

Next steps

Tammy Gardner to progress work within MBR program to clarify/confirm feasibility of options generated from a legal, system and DCIS perspective:

- bulk RA71 (with ASIC)

- double blind exchange constraint

- unique link with application ID/reference number

- call to MBR – has person applied for a director ID and if so, what was the result?

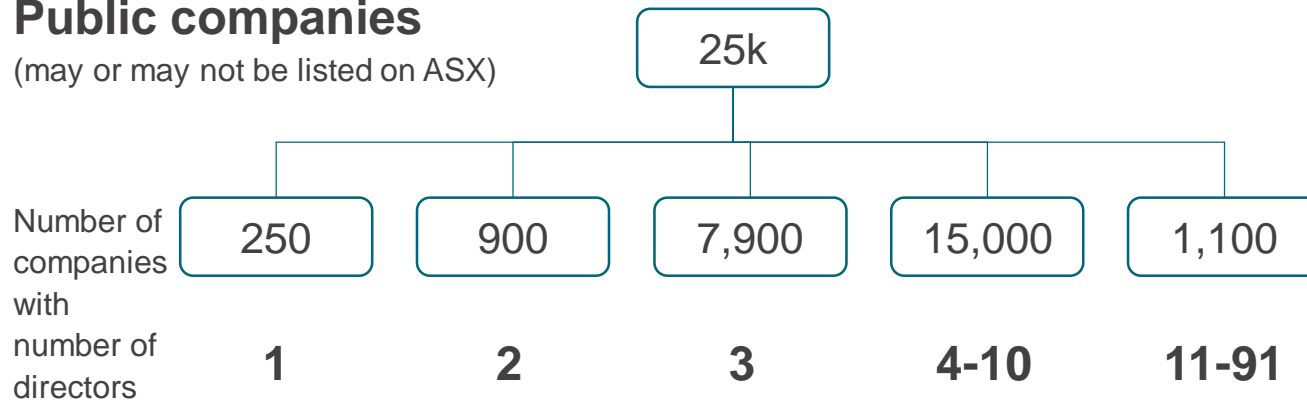Report back to DWG on 13 April 2021.

Appendix 1 Design question log

Date	Question	Status/response
5 Mar	What is the spread of companies by number of directors? What proportion of companies are closely held?	See Appendix 2 for readily available data.
5 Mar	TDIF is like the UK exchange model. Will people need to rush out and get a digital ID from each provider?	DTA is aware of the situation. ABSIA has asked DTA to discuss with the ATO.
5 Mar	Will agents be able to maintain details on behalf of the director? Messaging for director ID includes "maintain your details and tell ASIC". Should be implementing 'tell us once" and enabling people to appoint an agent when they apply for their director ID.	Currently working through the legal framework. Design timeline to be tabled at next BAG meeting – includes intermediary experience and individual registry record.
5 Mar	If an intending director's ID is cancelled because they have not been appointed as a director within 12 months, can register use/display status as inactive rather than cancelled?	Design team is looking at including reason codes for cancelled status.
5 Mar	Is there an opportunity for an intending director to get a director ID, get appointed as a director and then resign a few days later so they can keep their director ID?	Yes. When the person is appointed as a company director the 12 month rule ceases to apply and the person will keep their director ID forever. Note: Having a director ID only indicates the person has established their identity with the registrar.
5 Mar	If a director doesn't get a director ID how would an agent know if the person was using a fictitious identity? How will fictitious directors be removed when the existing register is transitioned to the new platform?	Tranche 2 Design work is in progress on data migration and associating directors with companies.
17 Mar	If the registrar refuses to give someone a director ID, what's the process after that?	Support will be available for people who do not successfully complete an application. If a person is not satisfied with the Registrar's decision, they can request a review of the decision.

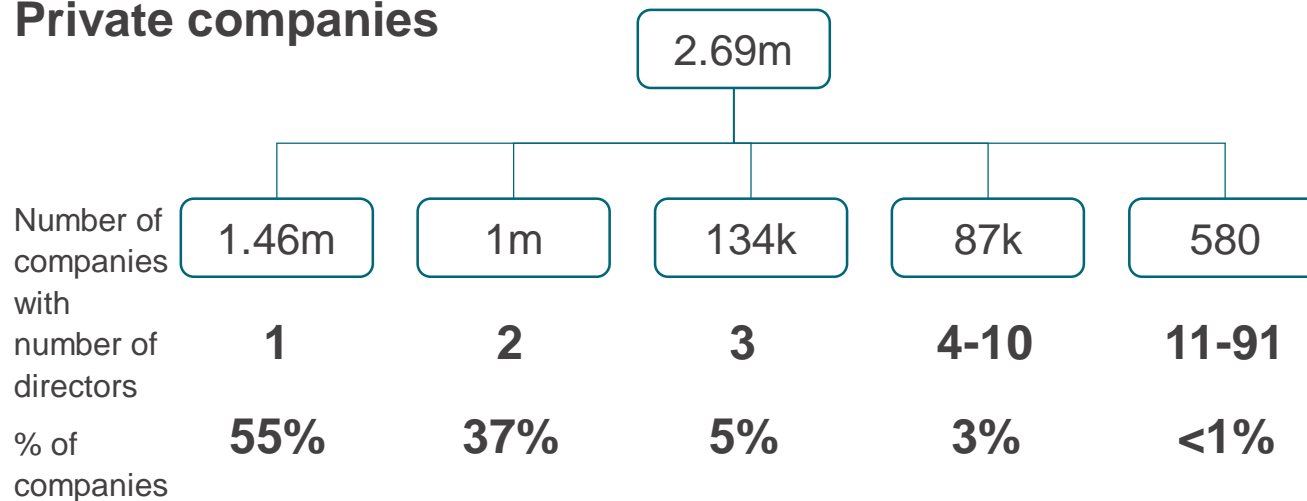| Date	Question	Status/response
24 Mar	Is it possible to enable a bulk RA71 request with just officer details for all the companies the agent looks after?	
24 Mar	When an agent sends an email to a director with a link to apply for a director, is it possible to use a unique link? Would a unique link need an agent identifier?	
31 Mar	Would a reference number that is linked back to the agent be enough to enable a disclosure?	
31 Mar	How would agent know person tried to apply but was unsuccessful and reason why?	
31 Mar	MBR authorisation model is not in place yet. How would MBR know agent is an agent of the company?	

Appendix 2 Companies and directors
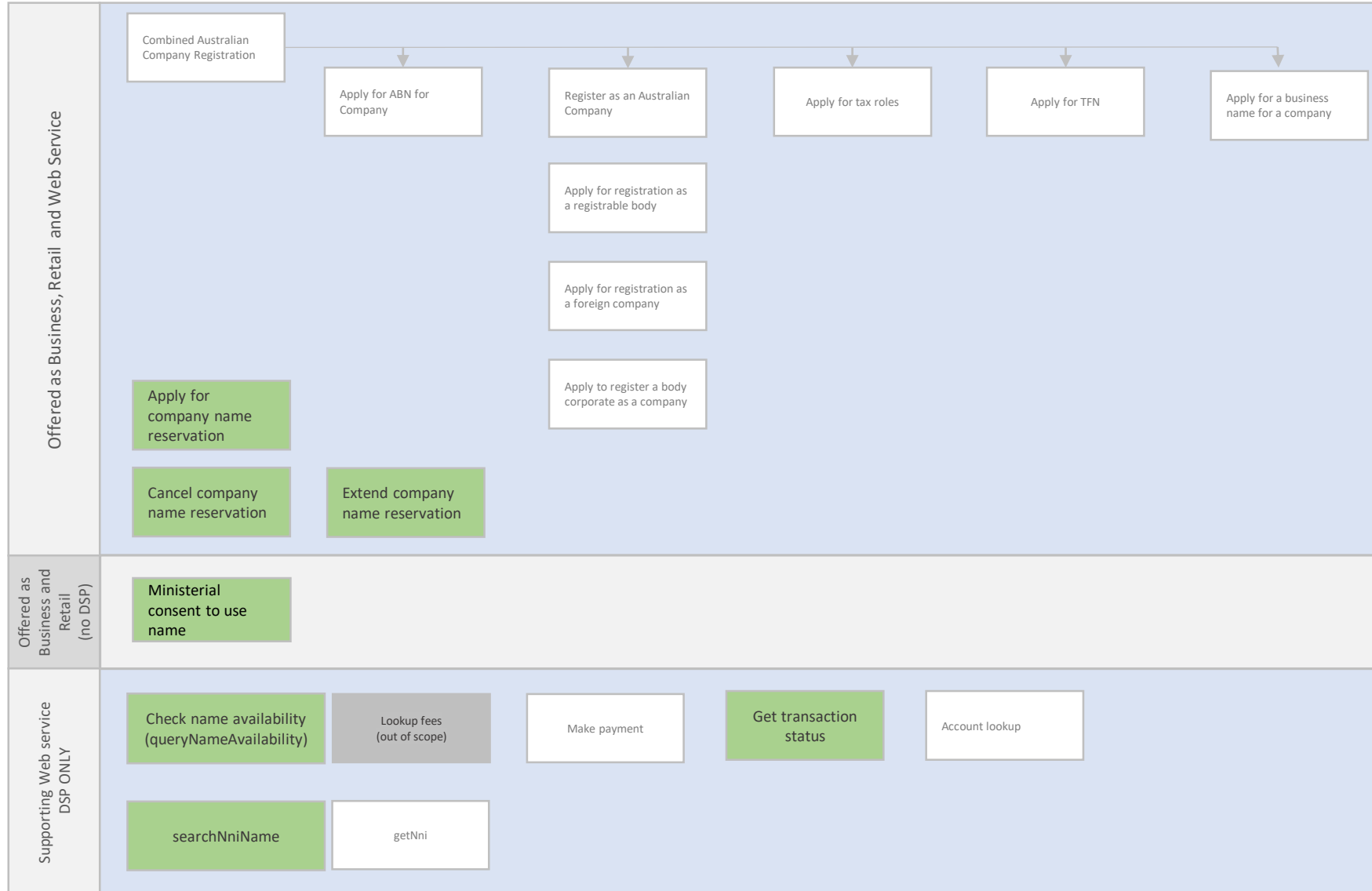
Public companies
(may or may not be listed on ASX)

```
                        25k
   ┌──────┬────────┬────────┬──────────┐
  250    900     7,900    15,000     1,100
```

Number of companies with number of directors

| 1 | 2 | 3 | 4-10 | 11-91 |

Private companies

```
                        2.69m
   ┌──────┬────────┬────────┬──────────┐
 1.46m    1m      134k      87k       580
```

Number of companies with number of directors

| 1 | 2 | 3 | 4-10 | 11-91 |

% of companies

| 55% | 37% | 5% | 3% | <1% |

Count of directorships	Number of people with this many directorships	% of director population
1	2,004,221	73.0
2	449,252	16.0
3	146,482	5.0
4	62,981	2.0
5	31,851	1.0
6	18,087	1.0
7	11,258	0.4
8	7,649	0.3
9	5,204	0.2
10	3,773	0.1
11 plus	17,048	0.6

Source: ASIC data valid as at 20 September 2019

**Source:** ASIC data valid as at 22 August 2019

API Catalogue Sample Grouping - New Registration And Reservation Details

Offered as Business, Retail and Web Service

- Combined Australian Company Registration
- Apply for ABN for Company
- Register as an Australian Company
- Apply for tax roles
- Apply for TFN
- Apply for a business name for a company
- Apply for registration as a registrable body
- Apply for registration as a foreign company
- Apply to register a body corporate as a company
- Apply for company name reservation
- Cancel company name reservation
- Extend company name reservation

Offered as Business and Retail (no DSP)

- Ministerial consent to use name

Supporting Web service DSP ONLY

- Check name availability (queryNameAvailability)
- Lookup fees (out of scope)
- Make payment
- Get transaction status
- Account lookup
- searchNniName
- getNni

RELATING TO FUTURE AND CURRENT STATE

Relates to establishing element of the companies lifecycle

Establishing
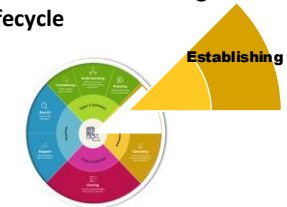
Relates to Tranche 2 Companies scope services:
- registration, maintenance, administration and closure
- reserve a Company Name and check name availability
- receipt and processing of applications, notifications, enquiries, payments, reviews and appeals
- search the company register

Relates to existing services

KEY DOCUMENTS
Company Registration Messages Specification
Business Registration Messages Implementation Guide

KEY FORMS
Form 201 Application for registration as an Australian company
Form 410 Application for reservation of a name
Form 410B Application for reservation of a name-change of name
Form 410F Application for reservation of a name-extension of reservation
BRS1 queryNameAvailabiity
BRS2 searchNniName
BRS3 getNni
BRS4 simpleFeeLookup (out of scope)
BRS5 initiatePayment
BRS6 bnLodgeApplication
BRS7 companyLodgement
BRS8 reservationLodgement
BRS9 getTransactionStatus

1 What is data migration?

2 Data migration scope

3 Quality & harmonisation

Intent of today's session

A Introduce DWG to data migration

B Feedback/ideas from DWG
- Drivers of data quality issues
- Impacts of quality and harmonisation decisions
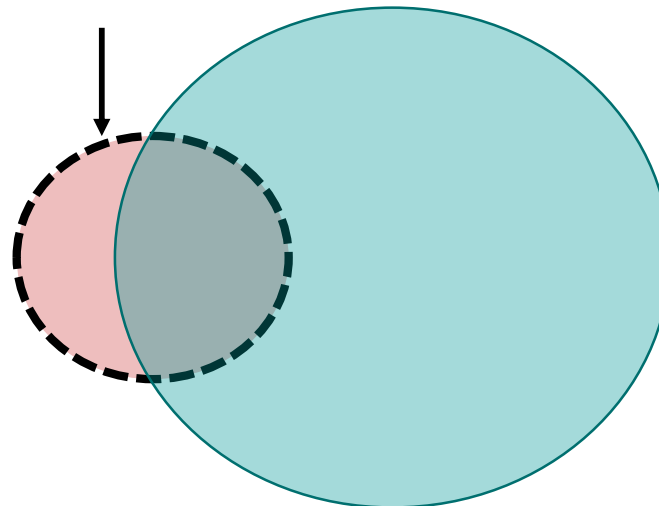
What data is involved in the 'companies' tranche?

ABR data + ASIC data = MBR

Entities which are in-scope for MBR Tranche 2: Companies

2.8 million
In-scope ASIC registers
- Australian Private Companies (2.8m)
- Australian Public Companies (26k)
- Foreign Companies (4k)
- Registered Australian Bodies (1.6k)

8 million
Australian Businesses (ABR)

Unpacking scope

Six high level questions are explored to determine the scope of data being migrated for Tranche 2.

T2 Registers to be migrated

ASIC

- Australian Public companies
- Australian Private companies
- Registrable Australian bodies
- Foreign companies

ABR

- ABR details of the ASIC entities

Scope discussion questions

1. Which entities?
2. What associated data types?
3. What functionality to support?
4. How much historical data?
5. What data is good enough?
6. What target systems?

Data Quality: Cleansing and Harmonisation

➢ We are bringing together two data sets (ASIC and ABR), and making them into one.
➢ We will need to resolve data quality issues along the way.
➢ We will be cleansing and harmonising data during migration.

Data Harmonisation

Where the data overlaps it requires harmonisation

- ASIC and ABR may have different values
- The new MBR platform requires only one value
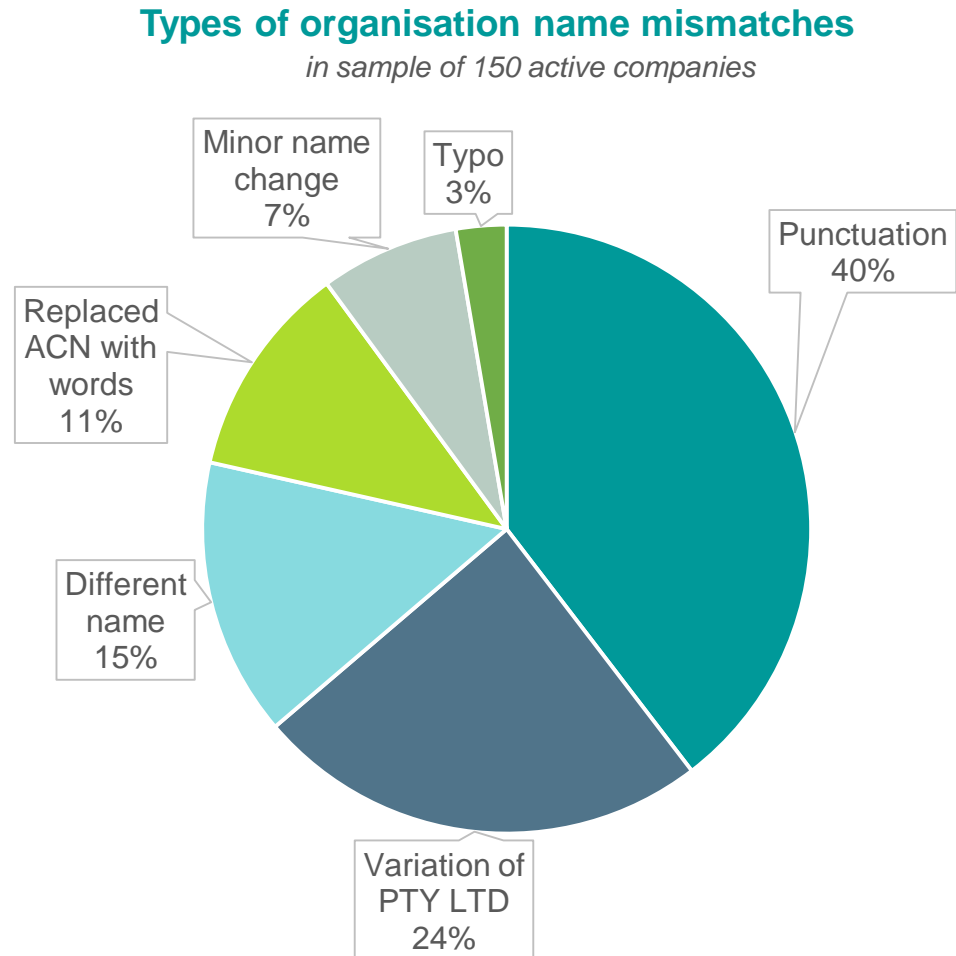- To migrate the data we have to change the data.

Only a small proportion of the data requires harmonisation but it is the key registry data:

- Company names
- Associated people
- Addresses

ASIC companies registers

Australian Business Register

Data Cleansing

Where there is no overlap, we may still cleanse the data

- This type of cleansing is not all necessary for data migration to occur

Example: organisation name mismatches

An example of a data harmonisation issue is mismatches between organisation names.

Initial analysis found over 6000 companies with organisation names that mismatch between ASIC and ABR registers.

Types of organisation name mismatches
in sample of 150 active companies

Minor name change 7%

Typo 3%

Punctuation 40%

Replaced ACN with words 11%

Different name 15%

Variation of PTY LTD 24%

What kind of register do we want?

Name in ASIC registry: Bob's Bees Pty Ltd

Name in ABR: Bob's Bees & Honey Pty Ltd

If we DO harmonise data

Name: Bob's Bees Pty Ltd

Name type: Current name

Start: 01/11/2011

End: <current>

Name: Bob's Bees & Honey Pty Ltd

Name type: Former name

Name type description: ABR name pre-ABRS

Start: 05/11/2011

End: 01/12/2022

If we DON'T harmonise data

Name: Bob's Bees Pty Ltd

Name type: Current name

Name type description: For Corps Act purposes

Start: 01/11/2011

End: <current>

Name: Bob's Bees & Honey Pty Ltd

Name type: Current name

Name type description: For business reg purposes
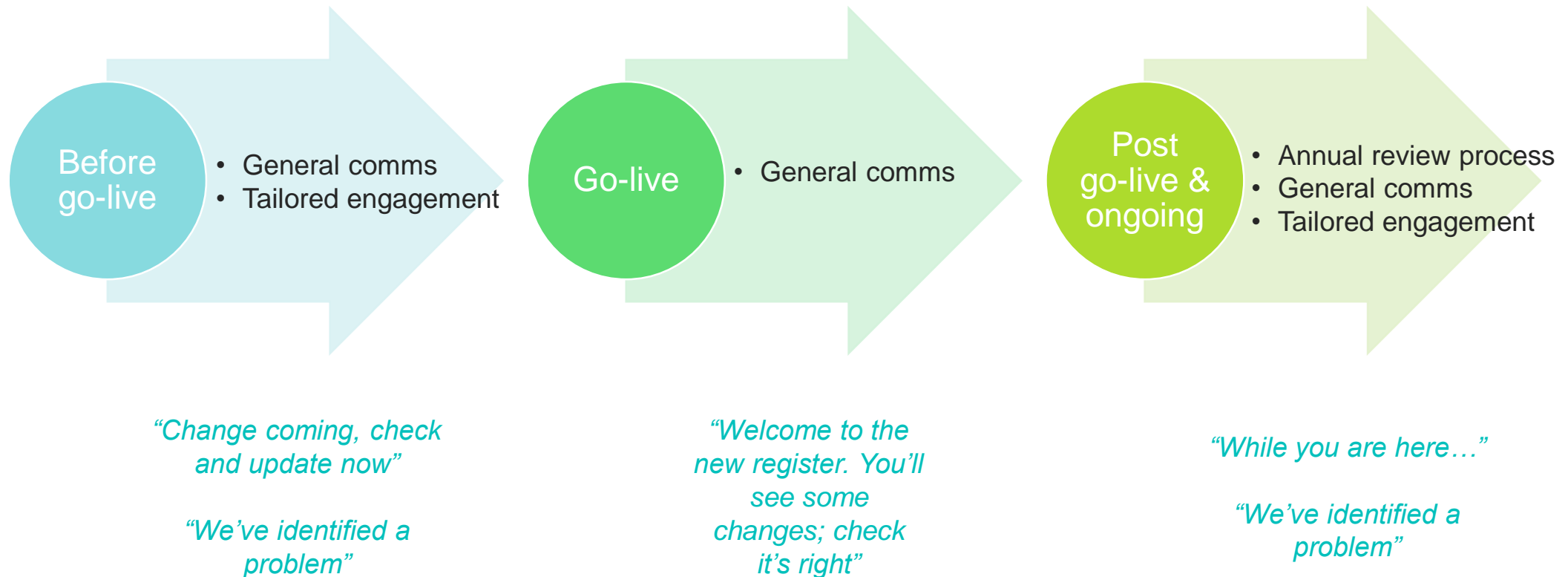
Start: 05/11/2011

End: <current>

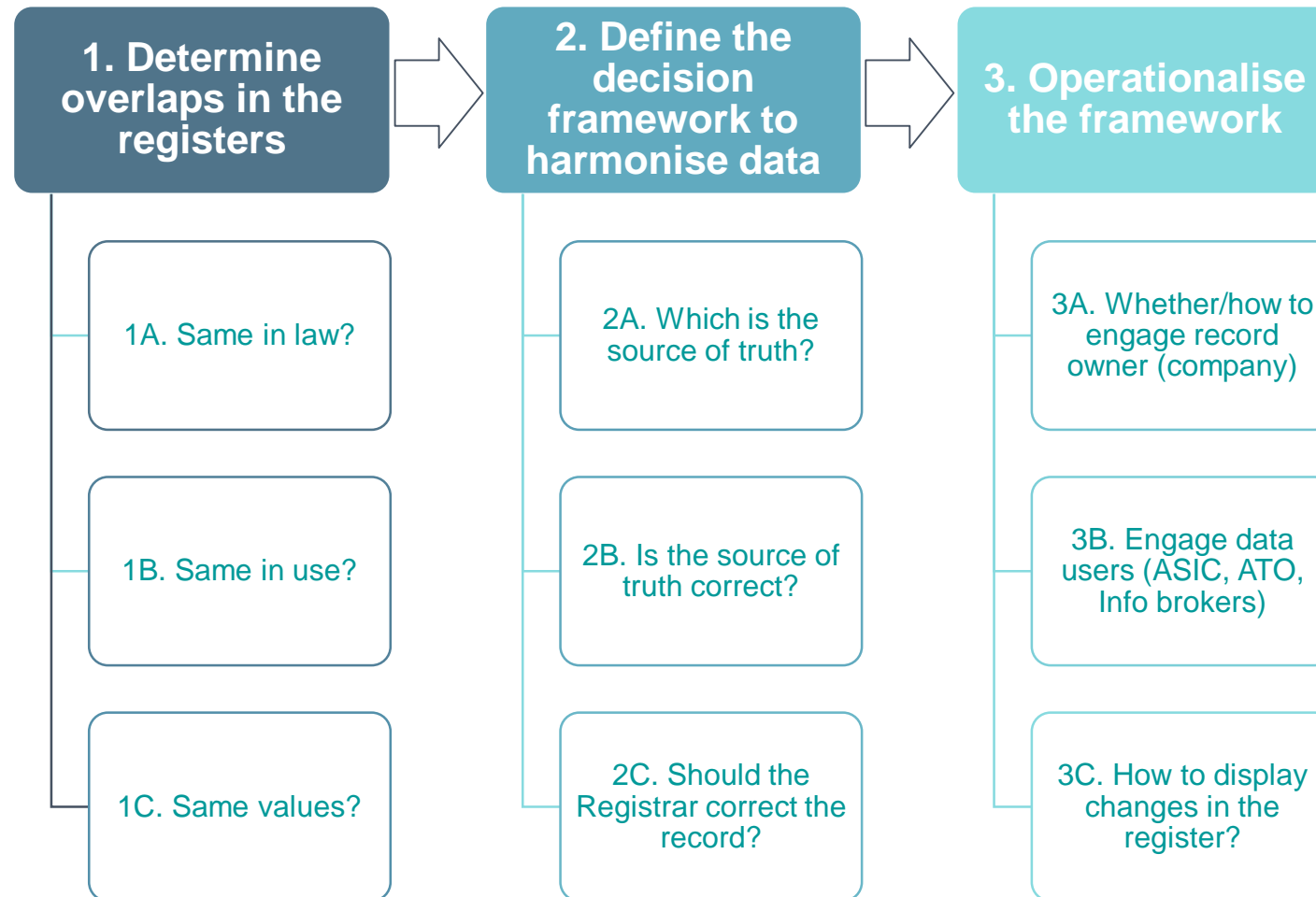# Involving the community in harmonisation

Involving the community enables us to improve the data quality and avoid unnecessary legal complexity.

There are opportunities to engage with clients in different ways and stages prior to go-live (e.g. client contact or correspondence to notify/ verify details) and post go-live by leveraging the natural processes of the Register (e.g. annual fee process) to optimise the data.

Before go-live
- General comms
- Tailored engagement

"Change coming, check and update now"

"We've identified a problem"

Go-live
- General comms

"Welcome to the new register. You'll see some changes; check it's right"

Post go-live & ongoing
- Annual review process
- General comms
- Tailored engagement

"While you are here…"

"We've identified a problem"

Data harmonisation decision framework

The diagram below explores the high level decision framework for MBR data harmonisation.

The detailed legal considerations are complex and require further consultation.

1. Determine overlaps in the registers	→	**2. Define the decision framework to harmonise data**	→	**3. Operationalise the framework**
1A. Same in law?		2A. Which is the source of truth?		3A. Whether/how to engage record owner (company)
1B. Same in use?		2B. Is the source of truth correct?		3B. Engage data users (ASIC, ATO, Info brokers)
1C. Same values?		2C. Should the Registrar correct the record?		3C. How to display changes in the register?

Appendix: Correcting records

The Registrar has the power through the data standards to correct information.

➢ Note: Data standards yet to be defined

The Registrar may choose to correct data where the preferred source does not give the best outcome.

DATA QUALITY ISSUE	Completeness	Currency	Accuracy	Reasonableness
PREFERRED SOURCE	J Smith	10 Smith St, Smithfield, 2001 [Updated 17/03/01]	101 Smith St, Smithfield, 2001 [Does not exist in AusPost database]	Date of birth: 12 March 1068
ALTERNATE SOURCE	John Smith	25 Albert Ave, Albertsville, 3001 [Updated 17/03/21]	10 Smith St, Smithfield, 2001 [Does exist in AusPost database]	Date of birth: 12 March 1968
	The alternate source presents a more complete value that is consistent with the value in the preferred source.	*There is a more up-to-date value available.*	*The preferred source includes an incorrect value.*	*The alternate source makes more sense than the preferred source.*

Search Experience Along the MBR Journey

Search Experience Along the MBR Journey

Overview

The delivery of the MBR program is divided into different releases:

- Machinery of Government changes
- Director Identification Number
- ASIC Companies and their ABNs
- Business Names and the rest of the ABR
- ASIC Professional and Historical Registers

This means from the search perspective, not all the registry data are going to be migrated and made available on the MBR platform until the full program is completed.

This was discussed at the MBR Program Board. Whilst it was recognised there is going to be trade-offs between delivery and user experience for a very large program like MBR, the Board noted we need to manage user experience and expectation carefully.

Problem Statement

With registry data on different platforms as we implement the full program, search experience for different user groups can be challenging with different websites and APIs from the various underlying platforms.

How are we going to help the different user groups navigate the different websites and services along the MBR journey?

Public / Businesses

Intermediaries

Digital service providers

Information brokers
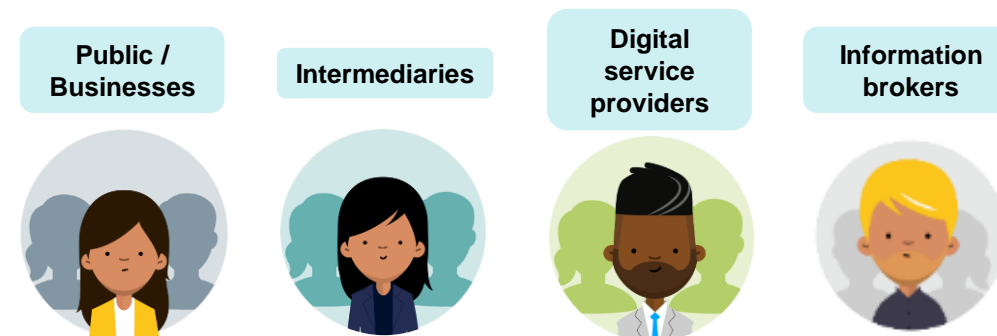
Search Experience - Websites 🔍

Scenario
As a new sole trader, Tracey isn't ready to invest in software.
As her business grows, she finds she needs to search for:
- Companies/sole traders (to confirm/understand who her clients are and to ensure she wants to go into business with them)
- Directors (to get to know potential clients before commencing work)
- Financial advisors (to advise on investment and superannuation)

BUSINESSES & OTHER ENTITIES

Director ID ›

No change in search experience:
- Search for businesses (incl. companies, partnerships and sole traders) via ABN Lookup and ASIC Connect
- Person search (ASIC) via paper only
- Business Name register search via ASIC Connect
- Professional and historical registers search and check name availability via ASIC Connect
- Financial advisor search via MoneySmart

Companies ›

New search experience:
- Search for companies and directors (director name only) from the Australian Business Registry Services (ABRS) website.
- Check name availability from ABRS (via API to ASIC backend)

No change in experience:
- Search for sole traders and partnerships in ABN Lookup
- Business Name register search via ASIC Connect
- Professional and historical registers search via ASIC Connect
- Financial advisor search via MoneySmart

Business Names + ABR ›

New Search experience:
- Search for companies, sole traders, partnerships and directors in ABRS
- Business Name register search in ABRS
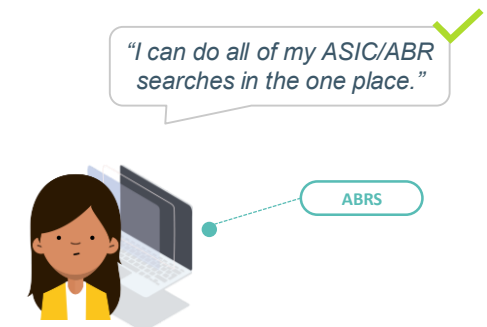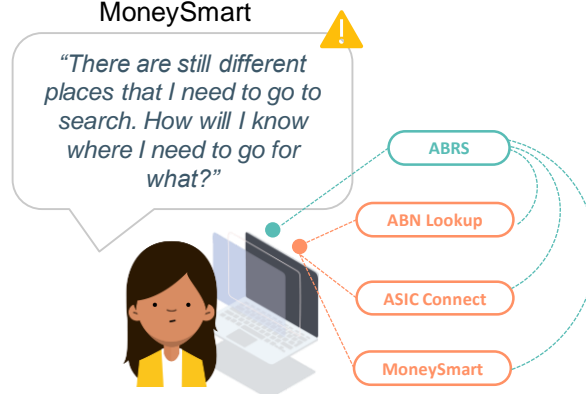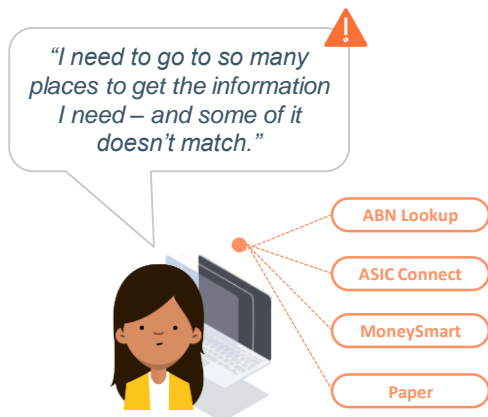- Check name availability mastered in ABRS

No change in experience:
- Professional and historical registers search via ASIC Connect
- Financial advisor search via MoneySmart

Financial Advisors + others ›

New Search experience:
- Search for companies, sole traders, partnerships, directors and professionals (incl. financial advisors) in ABRS
- Historical registers search in ABRS
- Business Name register search in ABRS
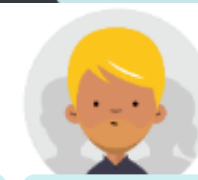- Check name availability in ABRS

"I need to go to so many places to get the information I need – and some of it doesn't match."

ABN Lookup
ASIC Connect
MoneySmart
Paper

"There are still different places that I need to go to search. How will I know where I need to go for what?"

ABRS
ABN Lookup
ASIC Connect
MoneySmart

"I can do all of my more frequent searches in the one place. I know I can go to MoneySmart if I need to search for a financial advisor."

ABRS
ASIC Connect
MoneySmart

"I can do all of my ASIC/ABR searches in the one place."

ABRS

Search Experience – Software / API

- *List of APIs is not exhaustive*
- *API for searching Director ID is to be determined*

Intermediaries   **Digital service providers**   **Information brokers**

Director ID ›

No change in search experience:
- EDGE-based APIs for agents and DSPs for registry interactions (with some search related services)
- DataStream-based APIs for information brokers to access company registers data
- DataStream-based APIs for information brokers to access other registers data on ASCOT
- ASIC APIs that searches the Business Name Register including querying name availability and searching the National Name Index
- ASIC APIs that searches the SMSF Auditor Register
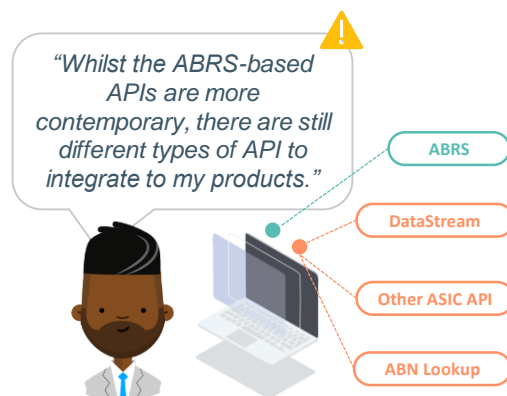- ABN Lookup API
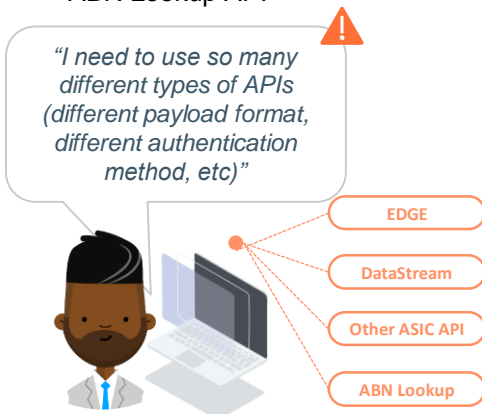
"I need to use so many different types of APIs (different payload format, different authentication method, etc)"

EDGE · DataStream · Other ASIC API · ABN Lookup

Companies ›

New search experience:
- ABRS-based APIs for searching and accessing company registers data
- Check name availability from ABRS API (connected to ASIC backend)

No change in experience:
- DataStream-based APIs for information brokers to access other registers data on ASCOT
- ASIC APIs that searches the Business Name Register
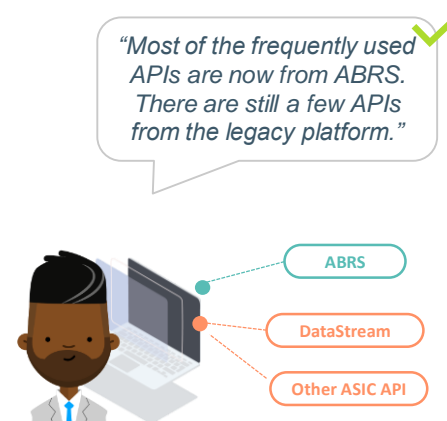- ASIC APIs that searches the SMSF Auditor Register
- ABN Lookup API

"Whilst the ABRS-based APIs are more contemporary, there are still different types of API to integrate to my products."

ABRS · DataStream · Other ASIC API · ABN Lookup

Business Names + ABR ›

New Search experience:
- ABRS-based APIs for searching and accessing company registers data, Business Name and the ABR
- Check name availability from ABRS API (connected to ABRS backend)

No change in experience:
- DataStream-based APIs for information brokers to access other registers data on ASCOT
- ASIC APIs that searches the SMSF Auditor Register

"Most of the frequently used APIs are now from ABRS. There are still a few APIs from the legacy platform."

ABRS · DataStream · Other ASIC API

SMSF Auditors + others ›

New Search experience:
- ABRS-based APIs for searching and accessing company registers data, Business Name, the ABR, SMSF Auditor and other professional registers

"All the APIs that access registry data are now from ABRS."

ABRS
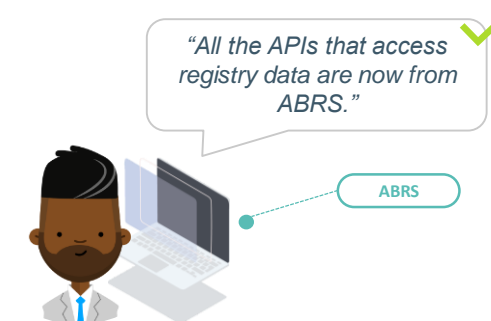
Upcoming topics

- Director ID APIs

- Companies registration service design

- Taxonomy

- Error handling

- Message exchange patterns

Questions?

MBREngagement@ato.gov.au

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