



Australian Government  
Australian Taxation Office

# AUSkey in the Cloud

Validating business identity

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Version 4 includes slides 5,7,9 with detail flows

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## Background

The ATO has been engaging with software developers to develop an AUSKey in the Cloud solution that will:

1. Be compliant with AUSKey terms and conditions
2. Streamline client experience
3. Support a move toward Digital by Default
4. Be compatible with future directions (e.g. WofG authorisation and Single Touch Payroll)

Feedback has been broadly supportive of the direction, although software developers are looking for support around transition timelines and strategies.

The consultation process has identified a security risk which emerges where software developers allow multiple uses of cloud software by the same ABN. In that scenario, fraudulent business representatives may be able to subscribe to a software provider and interact with government via online (cloud enabled) software using the ABN details of another business that has the authorised the same software provider to transmit on their behalf.

## Purpose

3 options have been proposed to resolve the identity validation issue. This pack explains each option to enable software developers to determine a preferred option.

## Definitions

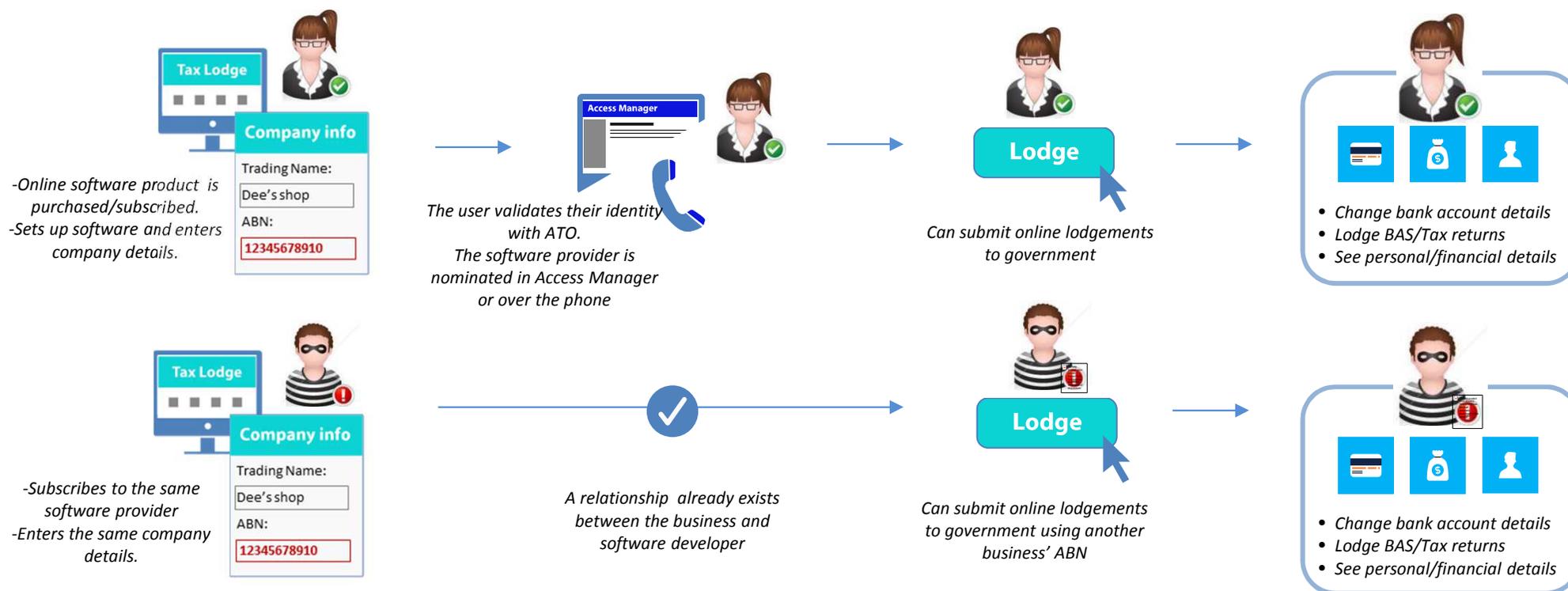
'Subscription' – a unique account or single instance of software set up by business for a specific software product

'SoftwareID' - a unique ID that is used to identify each unique subscription or instance of software

## Current AUSKey in the Cloud Solution – Issue Explained

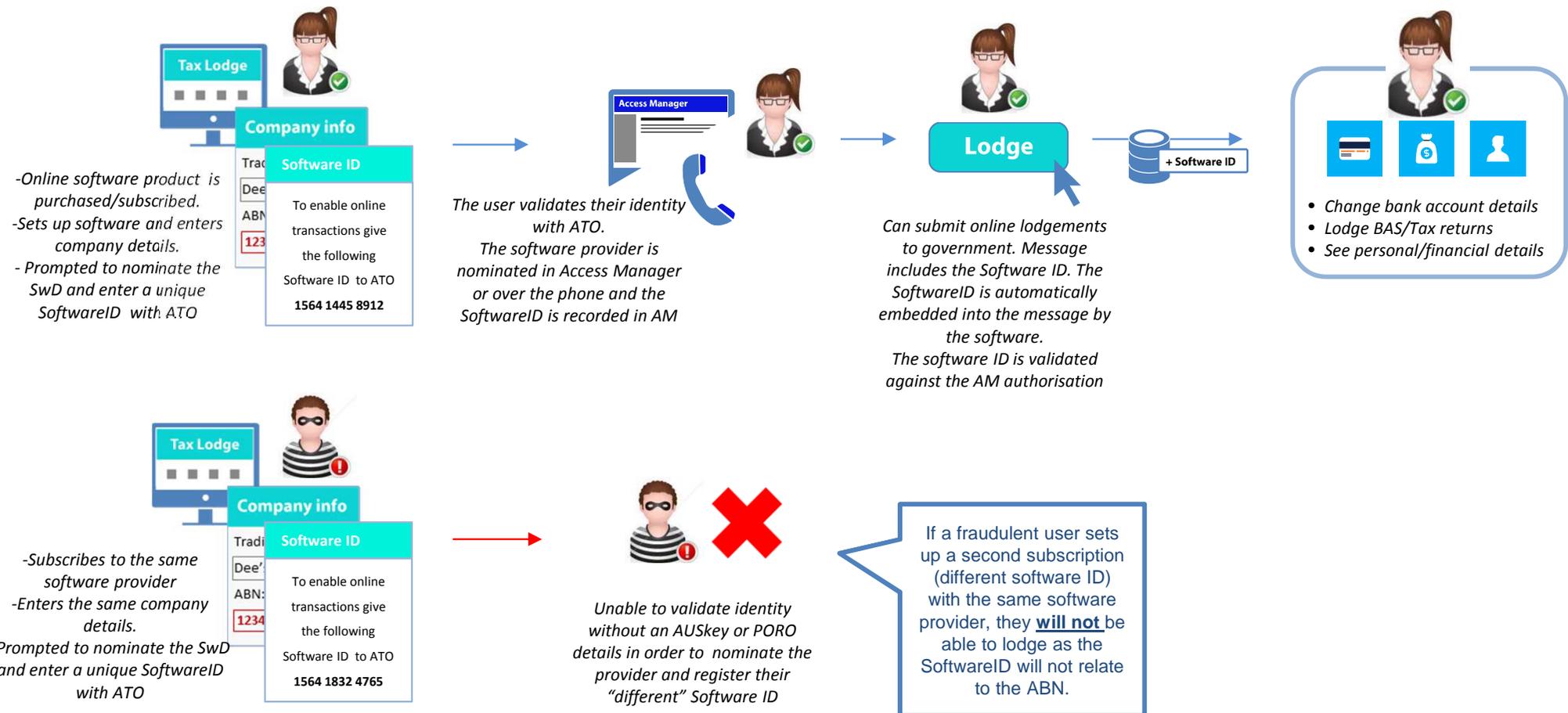
If the current design is delivered without the ability to validate a businesses identity, fraudulent business may be able to lodge directly with government via online (cloud enabled) software as follows:

- An anonymous business may be able use another business' ABN to create a second online software subscription with the same provider.
- The anonymous business would then able to submit lodgements (e.g. BAS) fraudulently using another business' ABN.
- The lodgements would be accepted by the ATO as the relationship exists between the ABN of the business and the software provider.



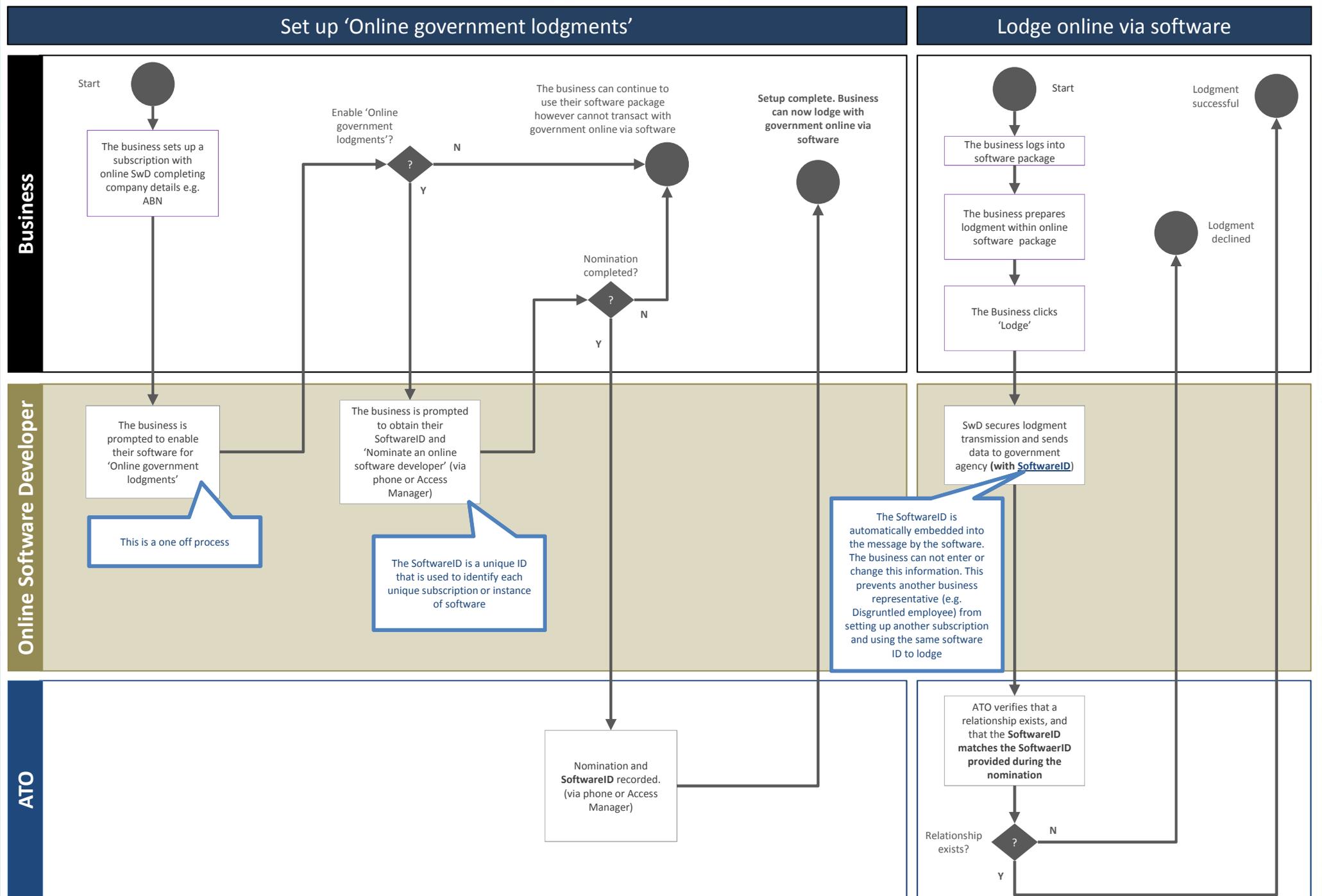
## Option 1 - SoftwareID presented with lodgment data

1. The business sets up an online software subscription and is provided with a unique SoftwareID (unique ID per software subscription) and is prompted to contact the ATO to nominate the software provider
2. The business nominates the provider (in Access Manager or phone) and enters the SoftwareID (one-off process)
3. On lodgement, the software automatically sends the SoftwareID within the message (SoftwareID not entered by client)
4. ATO verifies that a relationship exists and that the SoftwareID matches in AM before accepting the lodgment



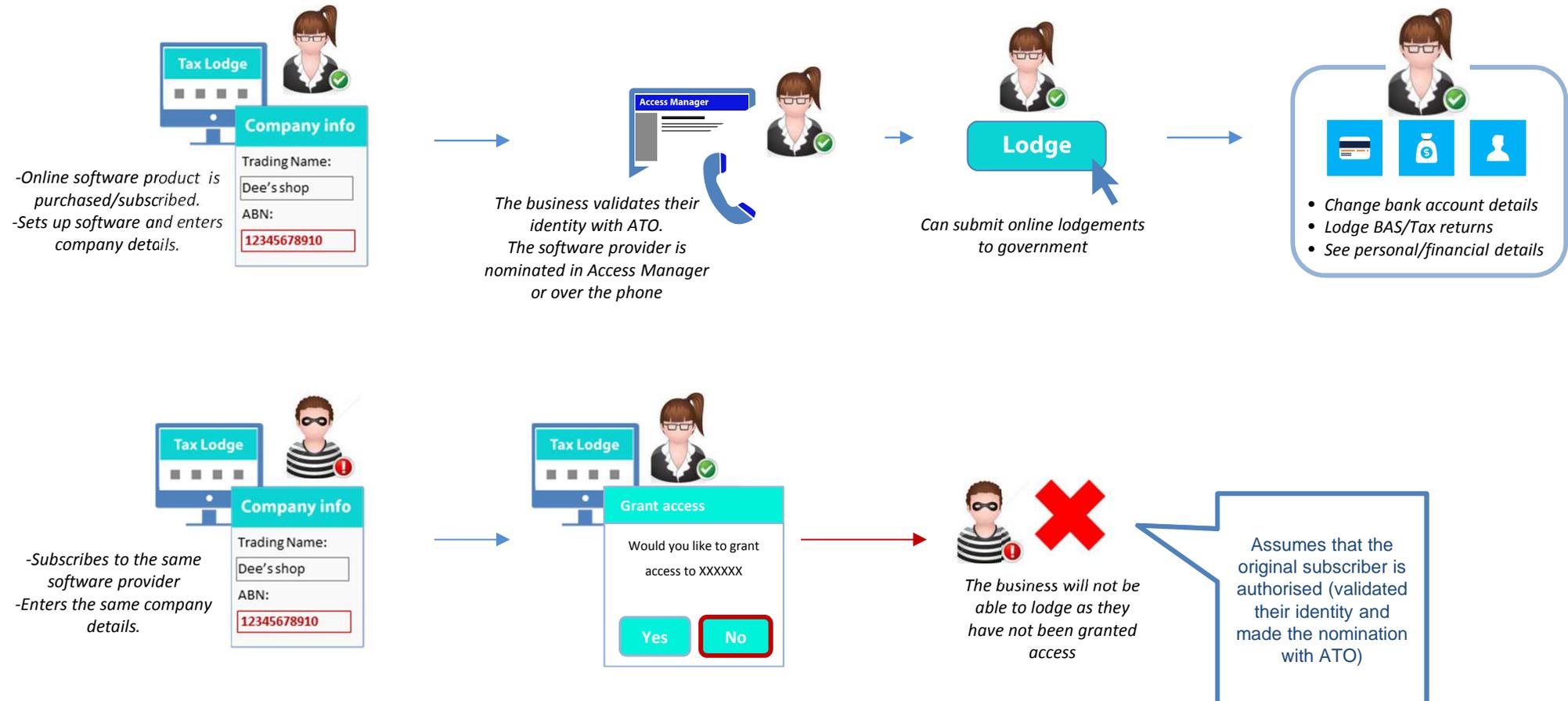
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Example flow - Option 1 - SoftwareID presented with lodgment data



## Option 2 - SwD validation for multiple subscriptions with the same ABN

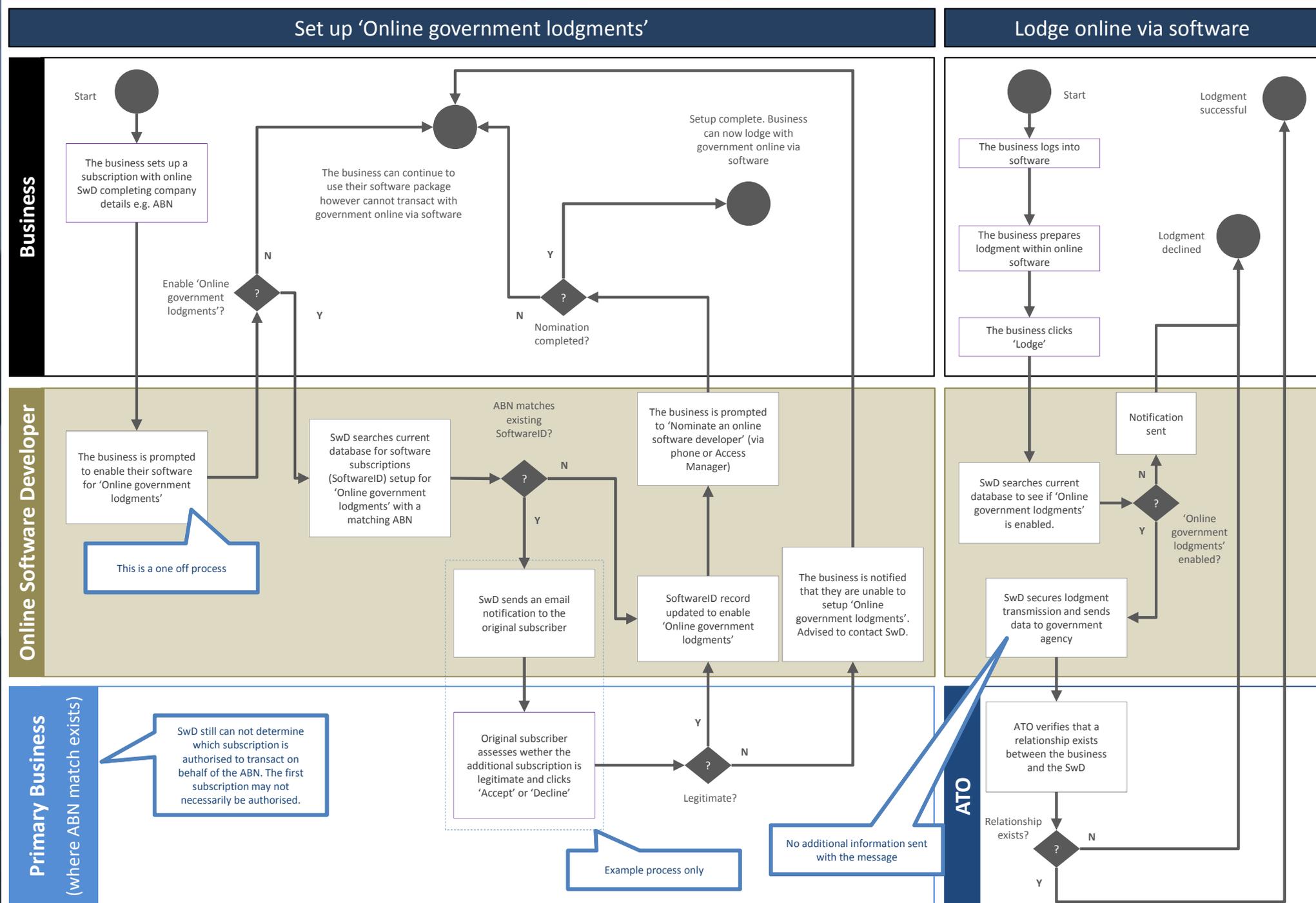
1. The business sets up an online software subscription and completes 'Company info' details (inc. ABN) as part of the setup process.
2. The software provider checks to see if another subscription exists with the same ABN details.
3. If an existing subscription exists with the same ABN a notification is sent to the original subscriber
4. The original subscriber is asked to grant or deny access to the additional subscription



# AUSKey in the Cloud: Validating business identity

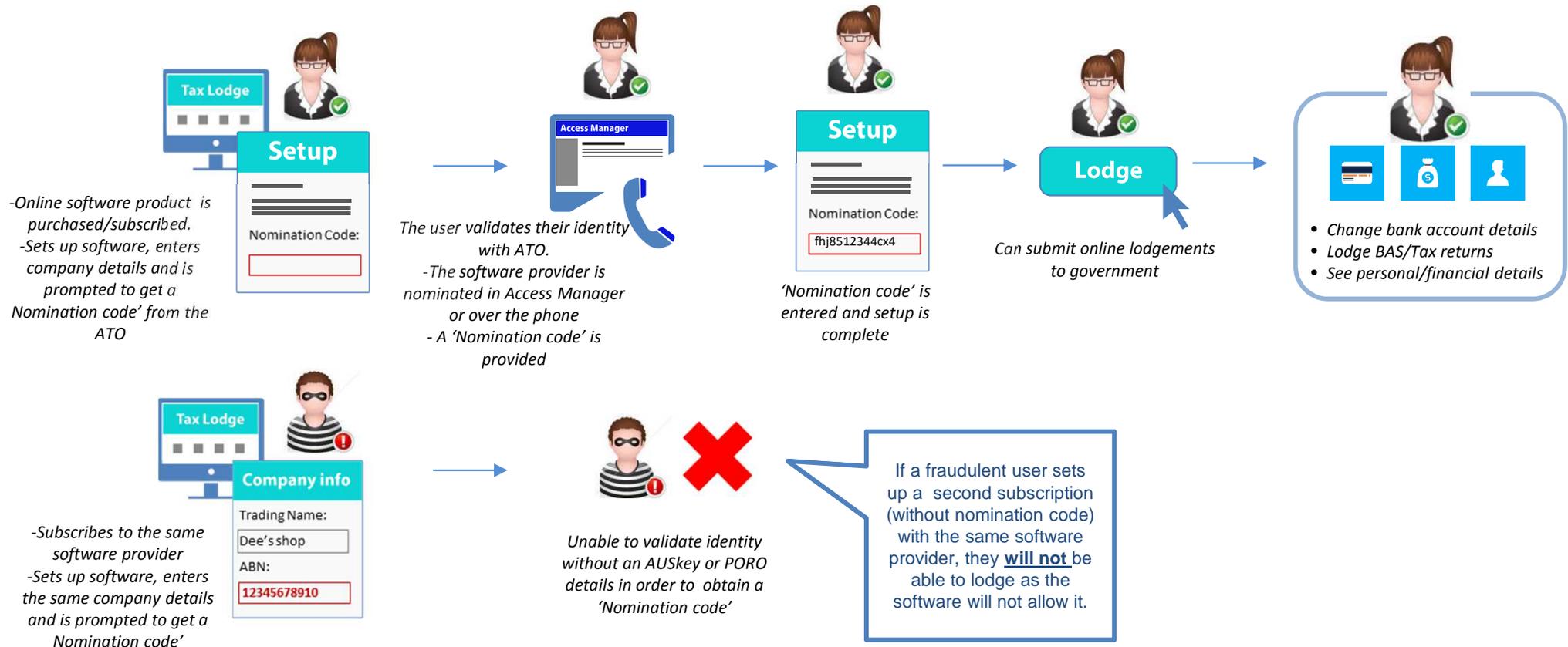


## Example flow - Option 2 - SwD validation for multiple subscriptions with the same ABN



## Option 3: ATO provides 'Nomination code' to validate identity

1. The business sets up an online software subscription and completes 'Company info' details (inc. ABN) and is prompted to obtain a 'Nomination code' from the ATO to complete the setup process.
2. The business logs into Access Manager or calls the ATO, nominates the provider and obtains a 'Nomination code'
3. The business enters the 'Nomination Code' into their online software to complete the setup process and be able to lodge directly to government (One off process)
4. Software calls web service to validate that the nomination code is authentic and record that the software subscription is now authorised (One off process, nomination code is not sent with each lodgement)



# AUSKey in the cloud options for validating business identity

Example flow - Option 3: ATO provides 'Nomination code' to validate identity

