



## Summary

Veda is an information economy company, best known for consumer credit reporting, but more broadly as Australia's leading provider of solutions to credit risk, fraud and identity concerns.

Australia has a small but competitive market providing fraud prevention and detection solutions. Veda is one such competitor, holding significant collections of fraud information. Building from these and other sources, Veda creates on-line solutions for the financial sector. Our role as an innovator of these fraud solutions has given us insight into impediments to developing better tools. These obstacles are not great and their solutions are already practiced in similar economies. They do not represent an increased burden, reduced efficiency or a cost to the economy. They do require better use of existing resources, and a more consistent and coherent approach by the Commonwealth and States.

There are three key areas where Veda has specific recommendations:

1. Better and easier identity checking in Australia, using existing resources to build more resilient on-line identity checking, moving beyond documents to build Knowledge Based Authentication.
2. Improve fraud detection and prevention by broader sharing of fraud information by Government and law enforcement agencies.
3. Ensure Australia has the tools to meet existing FATF standards; transacting, be it with a company, or individual, requires confidence in knowing who you are transacting with.

Given the right settings, the private sector market will respond with greater innovation and a new generation of solutions.

Veda welcomes the opportunity to inform the deliberations of the Joint Standing Committee on Law Enforcement Inquiry. We are happy to further expand on our submission should the Committee conduct hearings.

## Recommendations

Terms of reference	Recommendations
1. the character, prevalence and impact of financial related crime in Australia;	<p><i>i. Australia’s identity framework is still centred on credentials – particularly Government-issued documents. With Commonwealth/States coordination, the next generation of identity checking - such as Knowledge Based Authentication – can be fostered, reducing reliance on documents.</i></p> <p><i>ii. Better fraud prevention and detection can be enabled by establishing the link between checking identity and reporting suspicious activity.</i></p>
2. the methods and practices used by the perpetrators of financial related crime (including the impact of new technologies);	
3. the involvement of organised crime;	<p><i>i. Resolve outstanding FATF recommendations relating to obliging tranche 2 entities (lawyers, conveyancers, jewellers) to conduct AML/CTF checks. With new state-based identity obligations already in place for conveyancers, it would be timely to extend AML/CTF obligations to this sector.</i></p>
4. in relation to money laundering—the large number of high denomination banknotes in circulation;	<p><i>No recommendations</i></p>
5. in relation to identity fraud—credit card fraud in particular	<p><i>ii. A process should be established to enable more public-private cooperation, including pooling and sharing of suspicious activity.</i></p>
6. the operation and effectiveness of Commonwealth legislation, administrative arrangements and law enforcement strategies;	<p><i>iii. Administrative arrangements for use of the Document Verification Service are unnecessarily costly, complex and restrictive. Existing models for other Government registers, such as ASIC or PPSR, should be explored.</i></p> <p><i>iv. The lack of a beneficial owners register prevents transparency on true ownership and control</i></p> <p style="text-align: center;"><i>Public-private cooperation - see recommendation Four</i></p>

7. the role of the Australian Crime Commission and the Australian Federal Police in detecting financial related crime;	<i>Public-private cooperation - see recommendation Four</i>
8. the interaction of Commonwealth, state and territory legislation and law enforcement activity;	<i>Public-private cooperation - see recommendation Four</i>
9. the extent and effectiveness of relevant international agreements and arrangements; and	<ul style="list-style-type: none"> <li>v. <i>Resolve outstanding FATF recommendations relating to obliging tranche 2 entities (lawyers, conveyancers, jewellers) to conduct AML/CTF checks.</i></li> <li>vi. <i>In line with European developments, create a beneficial owners register.</i></li> </ul>
10. the need for any legislative or administrative reform;	vii. <i>Government to foster and encourage more resilient forms of identity checking, such as Knowledge Based Authentication.</i>
11. any related matters.	<i>No recommendations</i>