



2 June 2025

Adam Nott
Assistant Secretary
Identity and Biometrics Policy
Attorney-General's Department
3-5 National Circuit, Australia, Australian Capital Territory
Barton ACT, 2600
Submitted online via: [Consultation on the Identity Verification Services Amendment](#)

Dear Adam Nott

**CONSULTATION ON THE IDENTITY VERIFICATION SERVICES AMENDMENT
(PARTICIPATION AGREEMENTS) RULES 2025**

The Australian Finance Industry Association (AFIA) is the only peak body representing the entire finance industry in Australia.¹ We appreciate the opportunity to respond to Identity Verification Services Amendment (Participation Agreements) Rules 2025 Consultation.²

We represent over 150 members, including bank and non-bank lenders, finance companies, fintechs, providers of vehicle and equipment finance, car rental and fleet providers, and service providers in the finance industry. We are the voice for advancing a world-class finance industry and our members are at the forefront of innovation in consumer and business finance in Australia. Our members finance Australia's future.

We collaborate with our members, governments, regulators and customer representatives to promote competition and innovation, deliver better customer outcomes and create a resilient, inclusive and sustainable future. We provide new policy, data and insights to support our advocacy in building a more prosperous Australia.

¹ [Australian Finance Industry Association \(afia.asn.au\)](https://afia.asn.au).

² Attorney-General's Department, [Identity Verification Services Amendment \(Participation Agreements\) Rules 2025 Consultation](#), June 2025.

INTRODUCTORY COMMENTS

AFIA welcomes the opportunity to comment on the proposed extension to the Document Verification Service (DVS) participation agreement transition period.

The DVS is a critical component for Know Your Customer (KYC), customer onboarding, and broader compliance obligations across the financial services industry. The timely execution of participation agreements is essential for maintaining service continuity.

The current deadline requires agreements to be signed and compliance obligations to commence by mid-June 2025, creating a risk that organisations unable to complete necessary legal and technical work will face disconnection.

The proposed extension would give entities until 14 June 2025 to align their systems and processes without risking disconnection, striking a balance between regulatory certainty and implementation feasibility. While AFIA supports the principle of extending the signing deadline, we have concerns regarding the commencement of compliance obligations, the clarity of certain requirements, and the potential for inequitable treatment of DVS users.

Misalignment of signing deadline and compliance obligation commencement:

A primary concern is that while the signature deadline for Participation Agreements (PAs) is proposed to be extended, the commencement of compliance obligations may still be tied to the original timeline (mid-June 2025 for many, or upon signing for others).

This means that organisations that have proactively signed or will sign the PA ahead of the extended deadline could face a compressed implementation window to meet extensive privacy, security, reporting, audit, and certification requirements. For some, this could mean as little as four months from mid-June 2025.

Delayed guidance

Key guidance materials crucial for implementation have been delayed. For instance, the Privacy Impact Assessment (PIA) was only completed on 16 April 2025. The Attorney-General's Department (AGD) has indicated that guidance related to PIA Recommendation 7 (review of unsolicited personal information handling under APP 4) and Recommendation 9 (collection notices for secondary purposes) will be updated in the second half of 2025.³ Because Recommendation 7 will only become a requirement after PAs commence, participants must plan to update their access policies and/or guidelines once the AGD

³

issues its instructions. With Recommendation 9, end users will be subject to a new requirement once guidance is available; although some organisations may not need to amend their privacy policies or consents, those that have already revised documents to comply with their participation agreements could find themselves re-working those materials. In short, participants should be prepared to retrofit their compliance frameworks after their PAs have begun.

Further, details regarding the annual compliance attestation, including the specific 'Submission Date' to be advised by the AGD and the format of the certification, remain unavailable. This ambiguity may make it challenging for participants to adequately prepare and build these requirements into their compliance systems.

Scope and nature of compliance obligations:

AFIA observes that participation agreements impose extensive privacy and security obligations, necessitating updates to data handling and storage practices, legal reviews, and significant internal compliance workstreams. AFIA notes that the new requirement for business users to conduct an annual audit and compliance certification represents a significant change that requires careful system design.

AFIA is also concerned that some attestation questions, particularly around audit, security, and data deletion, may not clearly distinguish between the responsibilities of Gateway Service Providers and Business Users, potentially reflecting a gap between the questions and industry data-flow realities.

Recommendations

To address these concerns and ensure a fair and practical implementation of the IVS Rules and associated PAs, AFIA proposes the following:

- Extend the compliance commencement date so early signers are not required to meet reporting, audit and certification requirements within only four months of mid-June 2025.
- Provide interim guidance on handling unsolicited personal information under APP 4.
- Circulate delayed guidance materials as soon as possible, for example the Privacy Impact
- Provide guidance on the scope and format of the annual audit and certification, so participants can configure compliance systems with certainty regarding required questions and evidentiary standards.

CLOSING COMMENTS

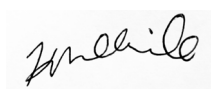
AFIA supports the Attorney-General's Department's intention to provide DVS users with sufficient time to meet their new obligations. However, AFIA stresses it is crucial that the extension to the signing deadline

is synchronised with the commencement of all compliance duties, and that a common start date is established to ensure fairness, practicability, and regulatory certainty for all participants.

I would appreciate the opportunity to discuss our recommendations and provide the Inquiry with further information about the specialised products, services and technologies offered by smaller lenders.

Should you wish to discuss our submission or require additional information, please contact me Kate Melville, at kate.melville@afia.asn.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'kmelville', is displayed on a light grey rectangular background.

Kate Melville
Senior Policy Advisor