

Issues Paper reference	Question/Comment	Sympli Comment	
Preliminary findings	1.15	"...there is significant uncertainty about what an interoperability model would look like."	These questions have been addressed in materials that have previously been made available to DMC. See NSW ORG, <i>Directions Paper on Proposed eConveyancing Interoperability Regime</i> , 6 February 2019 (Directions Paper) which is the subject of Industry Consultation.
	1.16	"To date ELNOs have not identified a detailed model for interoperability."	
		"The party (or parties) liable for the risk needs to be clearly identified before any transactions occur in an interoperable system."	
Interoperability	5.94	"The shift from well-defined, single ELN system to a multiple ELN environment in which key design decisions have not been made has created additional uncertainty for eConveyancing participants."	It is inappropriate to conflate uncertainty regarding a multiple ELN environment with interoperability when a) the argument for a multi-ELNO market has been made and seems beyond debate and b) Sympli has received Category 2 approval from ARNECC and is currently operating as an ELNO. The greatest uncertainty for eConveyancing participants is how interoperability will work, which should be the focus of the IGA Review.
	5.96	The paper lists characteristics of a closed ELN.	Fails to address the network effect in favour of an incumbent ELNO. See letter from Commissioner Cristina Cifuentes at the ACCC to Registrar General Jeremy Cox dated 13 February 2019 for more information on this point.
	5.98	"In the absence of a clearly defined interoperability model for consideration, it is challenging for stakeholders to indicate a preference for a closed or an interoperable system."	This question has been addressed in materials that have previously been made available to DMC. See <i>Directions Paper</i> (p10- 11, "3 Choosing the Right Model For Interoperability") which is the subject of Industry Consultation.
	5.99	"Any operating environment involving multiple ELNs should be designed to maximise the benefits and minimise the adverse consequences and risk."	This question has been addressed in materials that have previously been made available to DMC. See <i>Directions Paper</i> (p10 - 11 "3.2 Defining the scope and nature of interoperability") which makes it clear that interoperability will support only the "minimum functions necessary to ensure that a conveyancing transaction can be conducted across more than one ELN." Transactions are not made any more complex to the end user and the current security between ELNOs and the Land Registries, revenue offices, RBA and financial institutions will be used as the minimum benchmark for API security.
Stakeholder comments	5.100 - 5.102		<i>NOTE: The unattributed comments from the First Stakeholder and the Second Stakeholder in 5.100 - 5.102 are presented as items for consideration but have been significantly addressed elsewhere (as set out below).</i>
5.101 Standards. What standards do all participants need to adhere to regardless of platform? For instance:	5.101	"Platform approach to interoperability. If platforms are open i.e. data and actions from one platform can interact with another, will this be for a portion (e.g., payment only) or all of the transaction (payment and property settlement)? Since property and payment are just the opposite side of the value, they need to be joined and simultaneous, thus both Lodgement and Payment need to be interoperable or, at a minimum, following the same standards."	This question has been addressed in materials that have previously been made available to DMC. See <i>Directions Paper</i> (p11) dated 6 February which was recently the subject of Industry Consultation.
	5.101 Standards. What standards do all participants need to adhere to regardless of platform? For instance:	"Sequence of actions. Will the sequence of actions for each use case be specified and where can there be deviations? eg financial irrevocability of source funds must be in place before title check."	These questions are matters to be addressed between an ELNO and a bank involved in the processing of a settlement. Each bank is entitled to ensure that its settlement function operates similarly for all ELNOs. Furthermore, the RBA is involved in ensuring the operation of the settlement process.
		"Speed of actions to ensure sequencing works. If actions are sequential, what are the standards for time to perform each action (e.g., source fund confirmation within 15 minutes)?"	
		"Payments across platforms. Payments need a standard to ensure compatibility and, most importantly, either one set of pipes or interoperability across platforms. Without this, payment pipes will need to be built to each ELN and any non-standard message formats or timing would impact the whole system. How will payments across platforms work efficiently? Will one platform take the lead over the other or can some payments go from one platform while other payments go from another?"	These questions are matters to be addressed between an ELNO and a bank involved in the processing of a settlement. Each bank is entitled to ensure that its settlement function operates similarly for all ELNOs. Furthermore, the RBA is involved in ensuring the operation of the settlement process. The second set of questions seem to relate to the Lodging ELNO. These questions have been addressed in materials that have previously been made available to DMC. See <i>Directions Paper</i> (p11) dated 6 February which was recently the subject of Industry Consultation.
5.101 Standards. What standards do all participants need to adhere to regardless of platform? For instance:	"Cross platform human communication. Some conversations are facilitated on platform, others are over the phone. How will cross-platform communication be facilitated – through ELNs or through parties?"	This question has been addressed in materials that have previously been made available to DMC. See API draft specification issued on 1 February 2019. The proposed API will support conversation between transaction participants (either 1:1 to 1:many) as an optional communication channel. Phone conversations will be with the Subscriber's ELN.	

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	<p>5.101 "National Governance. While for a citizen of a state, they will only care about the standards for a state where they have a transaction, other market participants transact nationally. How will standards be governed for national consistency? Will ARNECC, or another regulatory body, have the necessary powers to influence national level governance on standards and framework?"</p>	<p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (page 9) dated 6 February which was recently the subject of Industry Consultation which sets out the following: "The Government believes that its decision to proceed with interoperability in NSW will provide a pathway to a national solution that can be adopted by other jurisdictions, should they choose to. This does not mean that NSW intends its model will pre-empt any national model. Proceeding with interoperability in NSW will provide an opportunity to identify issues, test solutions and develop the interoperability rules in the largest property market in the country. As set out above, a guiding principle is that the NSW model should be adaptive to any national model which comes out of the learnings in NSW." Developing this national model under an ARNECC framework is further explored in '7.1 Building a governance framework for interoperability' on p29. Further, SympI submits that DMC plays a key role in bringing ARNECC together to explore a national solution to interoperability.</p>
<p>First stakeholder</p>	<p>5.101 <i>Innovations. The problem with standards is that it can result in mirrored systems with minimal differentiation. How will the marketplace be governed, and standards set which enable future step changes in innovations instead of incremental innovations?</i></p> <p>"Currently, we assume that participants are human actors, acting on behalf of their customer, not machines enacting a customer's action. Can we put together a framework which spur innovation for participants, particularly when it comes to automation and integration?"</p> <p>"What other innovations do you see in the home lending space which can help lower unit cost and/or result in better customer outcomes?"</p> <p>"Where can distributed ledger technology and smart contracts play a role and how is that catered for in standards and governance frameworks?"</p> <p>"Intermediation ensures simultaneous payment and lodgement. Will direct – citizen to citizen - transactions be facilitated or is everything intermediated?"</p> <p>"Will timeframes for disbursement change so citizens can get their funds sooner?"</p> <p>"Are there ways to reduce intra-day and next-day rolls of settlements?"</p>	<p>None of these matters relate specifically to interoperability. DMC should be careful in conflating issues of interoperability with general market issues. This could risk confusing the investigation into interoperability and potentially delaying the delivery of benefits of interoperability to the market.</p> <p>Interoperability is intended to allow sharing of data to encompass only the minimum functions necessary to ensure that a conveyancing transaction can be conducted across more than one ELN. This expressly allows ELNs to innovate independently of each other.</p>
	<p>5.101 "Downtime. If one platform is down, what occurs – batch, re-process each settlement, etc.?"</p>	<p>The SLA requirements in the MOR will mean that ELN availability will be in sync. In the event of unscheduled downtime, as with most messaging APIs, messages can be queued and sent when connections are restored. Rules will be developed to ensure that messages are processed in sequence (or ignored if received out of sequence and superseded by a later generated message).</p>
	<p>5.101 "Controls. Clarity on the control environment on each ELN is critical. However, if one party is on one ELN while other parties are on another, then a financial service provider would need a sense of the control environment on the other ELN. How would this work?"</p>	<p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p8, "2.2 Government's view") dated 6 February which was recently the subject of Industry Consultation - "ELNs interconnecting with each other would be separately subject to the security and other risk minimisation requirements of the Model Operating Requirements and other regulatory instruments." As each ELN would be connected to the financial service providers it needs to connect to, then each financial service provider would be entitled to conduct due diligence on each ELNs control environment.</p>
	<p>5.101 <i>Regulations. Thus far, the market has evolved through regulations and mandates.</i></p> <p>"How will regulations work with multiple ELNs? For instance, based on discussions we assume that participation in electronic marketplaces will be mandated, but participation on a particular ELN or on all ELNs will NOT be mandated?"</p> <p>"Who will the regulator be? How will there be AU-wide regulation instead of state-based regulations?"</p> <p>"How will the regulator confirm compliance to standards and/or enforce data breaches?"</p>	<p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper dated 6 February which was recently the subject of Industry Consultation.</p> <p>Interoperability allows a subscriber to transact using only a single ELN of choice. The obligations a subscriber must adhere to as part of the MPR are administered as part of the responsibility of the ELN</p> <p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p29-30, "7.1 Building a governance framework for interoperability") dated 6 February which was recently the subject of Industry Consultation.</p> <p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p46, "Schedule 2 - Internal Review of the Model Operating Requirements") which was recently the subject of national Industry Consultation.</p>
	<p>5.101 <i>Fraud / disputes.</i></p> <p>"How will liability be determined in an interoperable / multiple ELN world?"</p> <p>"If there is a fraud on one platform, how would it be resolved between parties on separate platforms?"</p> <p>"Will there be a market approach / standardisation of how to address fraud / disputes while helping citizens in a timely fashion?"</p>	<p>This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p23, "5.7 Liability") dated 6 February which was recently the subject of Industry Consultation.</p> <p>A subscriber is liable for the updates performed in their ELN and the ELN is responsible for enforcing business rules associated with that data. The interoperability API will simply pass these data updates from one ELN to another but does not absolve each ELN or subscriber of their responsibilities. It is envisaged that the liability regime to be developed will identify at fault scenarios.</p>

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Second stakeholder	5.102	"What are the trust and verification and liability arrangements between ELNOS and any central information exchange service provider e.g. is the information/Document received accurate and current (including settlement details), what are the service levels for advising of revocation or revision of received information or Documents, assurance of Subscriber and User verification, indemnities from transmitting ELNO especially where receiving ELNO has no contract with transmitting ELNO's Subscriber?"	These questions have been addressed in materials that have previously been made available to DMC. See Directions Paper dated 6 February which was recently the subject of Industry Consultation. Taking these in order: Liability arrangements will be defined (see p23, "5.7 Liability"). Each ELN and their subscribers remain responsible for data entered on their platform; this is shared with the other ELN(s) in an interoperable transaction who trust that the correct validations have been applied by the subscriber's ELN. Documents and financial settlement details created and updated by a subscriber on an ELN follow this rule. For SLAs, see reference to downtime above Assurance of Subscriber and user verification remains the responsibility of the subscriber and subscriber's ELN.
		"How do the ELNs know which lodgement case counterparts to exchange?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p11) dated 6 February which was recently the subject of Industry Consultation.
		"What are the privacy considerations?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p18) dated 6 February which was recently the subject of Industry Consultation. No additional data beyond that which an ELNO needs to maintain under the MOR will be stored. Contractual arrangements between ELNOs will ensure the right to data and the privacy arrangements for that data. Specific privacy arrangements will also be addressed for other ELN subscriber data as set out in the Directions Paper (p22, "5.6 Exchange of Subscriber Information").
		"What level of information is being shared?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p10, "3.2 Defining the scope and nature of interoperability") dated 6 February which was recently the subject of Industry Consultation. A detailed data model has also been provided to DMC as part of the API specifications circulated 1 February. This API remains open to industry feedback.
		How is information identified as appropriate to be shared?	
		"How often is the information shared or exchanged?"	Sympli has provided numerous presentations to DMC and the industry that ELN background processing will provide information updates in real time as it is updated as part of a single transaction update.
		"The impact on Digital Signatures applied in one ELN, when data is then changed in the other ELN?"	An instrument that has been digitally signed will be rendered unsigned if the counterpart data is changed. This is normal for ELN processing. Having said that, ELN business rules should preclude data for a document created in one ELN being updated in another, so once a document is created and/or signed, it is shared via the API for information purposes. The exception to this is a document to be signed in counterpart, for which updates should be shared by both ELNs
		"If a lodgement case is compiled in separate systems, who is responsible for warranting its final content?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (page 11) dated 6 February which was recently the subject of Industry Consultation. The Lodging ELN will conduct a lodgment verification prior to final lodgment to validate the lodgment case
		"Risk of mistake, error, failure to understand or process instructions, risk that lodgement proceeds when it should not, infeasible title?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (5.1 Reciprocal recognition of ELNO status) dated 6 February which was recently the subject of industry Consultation. None of these risks are increased if each ELNO continues to exercise the appropriate controls for updates performed on its platform.
		"If settlement is required in one ELNO, how is settlement tightly coordinated with lodgement if multiple ELNOs are lodging parts of the lodgement case?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p11) dated 6 February which was recently the subject of Industry Consultation.
"Issue of where liability rests?"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p23, "5.7 Liability") dated 6 February which was recently the subject of Industry Consultation.		
Preliminary options	6.44	"We see difficulties with the model that includes a new private sector monopoly player that all ELNOs must connect to. This monopoly would need special regulation in relation to pricing and relationships to the market more generally. Furthermore, there would not be a benefit unless there are a significant number of ELNOs"	This question has been addressed in materials that have previously been made available to DMC. See Directions Paper (p13, "4.2 Hub-based interoperability") dated 6 February which was recently the subject of Industry Consultation.
Appendix	A2.12	"On 4 December 2018, a Government and industry eConveyancing interoperability meeting was held by the NSW Office of the Registrar General during which the following interoperability model (similar to preliminary option 3b) was presented. We understand that as at 13 February 2019, NSW has not committed to any specific interoperability model."	This model was originally developed to illustrate a hub model but has been redeveloped as industry preference moved to an ELN-to-ELN model due to uncertainty regarding a hub operator. This later version has been widely shared with industry participants and made available to DMC in the Directions Paper dated 6 February which was recently the subject of Industry Consultation (see p11 -12, "3.3 High level map of interoperability") and discussed by Sympli with DMC on 5 February 2019.