

## Response to the Consultation Paper on Simplified Trade System

The use of digital identification in cross-border trade interactions is expected to have profound and largely positive impacts on trade. Here's how:

- **Efficiency:** Digital identification can significantly streamline processes by enabling swift and secure verification of the identity of businesses and individuals involved in cross-border trade.
- **Reduced Costs:** The need for businesses to submit identity information to the government multiple times under the current system not only wastes time but also incurs unnecessary costs.
- **Security and Trust:** Digital identities can provide an additional layer of security, enhancing trust in cross-border transactions. This trust should support businesses to engage in cross-border trade, and increase efficiency of trade administration, boosting trade volume.

Given the potential importance of these benefits, we believe there is an opportunity to think more deeply about the contribution that digital identity could make towards trade facilitation.

There are limitations and potential issues to consider, many pertaining to the use of MyGovID:

- **Privacy and Security:** While digital identities can enhance security, they also raise privacy and security concerns. For instance, if the system is compromised, it could lead to a large-scale breach of sensitive data. Therefore, it is critical to have robust data protection measures in place.
- **Accessibility and Inclusion:** Not all businesses or individuals may have access to the necessary technology or internet connectivity to use MyGovID. Further, limitations around the level of identity assurance possible for non-Australian citizens affects the ways MyGovID can be used. This could potentially create barriers for certain traders and lead to digital exclusion.
- **International Compatibility:** While MyGovID may work well within Australia, its compatibility with international systems is crucial for smooth cross-border trade. If it is not recognized or easily integrated with other systems, it could create obstacles rather than streamline processes. For some inter-nation relationships, traceability of identity as trade is performed may well be a relevant issue.

The role of certification of the methods of identification in this context is crucial. It establishes the trust in the technology used to authenticate the digital identities and is integral to maintaining the security of the system and trust between international actors.

**We recommend that any digital identity is framed in an international context and certified using international standards. In support of this we suggest that the Department represents the importance of international harmonisation in relation to digital identity with relevant Federal agencies, such as the DTA and Department of Finance.**

In conclusion, while digital identification through MyGovID could significantly streamline and secure cross-border trade, it's vital to ensure robust data protection, accessibility, and international compatibility. We would be pleased to provide further information and advice on this issue if required, and welcome you to visit BixeLab to learn more.

Yours sincerely,



Dr Ted Dunstone  
CEO (and Founder)