

## What is CDR?

Consumer Data Right is active in the banking and energy sectors. This means you can choose to share your banking or energy data (for example, your transaction history, interest rate or electricity usage) with an accredited data recipient to find a better product or manage your finances more easily.

## What do I need to do?

From February 2022, under the Consumer Data Right (CDR) in banking, the accounting data you utilise, may be captured under the CDR regime. This may create a need for your client to nominate you as their *Trusted Adviser* to the party that holds their accounting data.

## Who is a trusted adviser in the CDR in banking?

Trusted advisers are prescribed under the *CDR Rule 1.10C* and include persons that belong to one of the following classes:

- Qualified accountant within the meaning of the *Corporations Act 2001*;
- Registered tax agents, BAS agents and tax (financial) advisers within the meaning of the *Tax Agent Services Act 2009*;
- Relevant providers (financial services licensee, their authorised representatives, employees and directors) within the meaning of the *Corporations Act 2001*;
- and more

For the full list, please refer to the legislation which can be found on [cdr.gov.au](http://cdr.gov.au).

## Who are the key participants?

- **Consumer:**
  - The owner of the data, your clients.
- **Data holder:**
  - In banking, an Authorised Deposit-taking Institution (ADI), commonly referred to as banks.
  - Over time this will expand to incorporate new industry sectors and include parties such as energy and telecommunication providers.
- **Accredited data recipients (ADRs):**
  - A receiver of data direct from data holders, such as an online accounting software provider.
  - Any person or organisation may become an ADR if they meet the rigorous privacy and data security requirements under the CDR regime.
  - Check who is accredited under the CDR regime here.
- **Trusted Adviser:**
  - A person or organisation that belongs to one of the classes as prescribed in the CDR Rules

## Possible impacts

The various participants in the CDR regime may ask you to confirm that you are from a class of Trusted Adviser. This may take the form of a contractual warranty, or an attestation or representation by the adviser.

We will continue to work with all participants as the standards for trusted advisers are finalised to ensure there will be minimal disruption to the relationship between consumers and their trusted advisers.

## The new language

Using the example of an online accounting software platform that has become accredited in the CDR regime, below is a translation of the language that we are familiar with, to the CDR terminology:

- Bank – Data holder
- Online accounting software provider – Accredited data recipient
- User / client – Consumer
- Accountant, Tax or BAS Agent, Financial Adviser – Trusted Advise

## Additional steps

To ensure the integrity of the CDR regime, you will need to expect some extra steps for your clients to identify you as their trusted adviser.

### Data holder (Bank)

- Records consumer's transitions
- Offers data transfer through CDR channel at no cost

### ADR (Software)

- Receives data through CDR channel
- Holds in consumers (users) account

### Consumer

- Creates entries in software
- Reconciles entries to CDR data
- Nominates you as their Trusted Adviser

### ADR (Software)

- Confirms your class of trusted Adviser
- Records Trusted Adviser on consumer's dashboard

### Trusted Adviser

- Accesses data as needed
- Makes entries as needed

## Find out more

More information, news and resources can be found [here](#).

On the CDR web site you will find

- a short YouTube video on [How it works](#);
- [Consumer data right stories](#); and
- Many more [resources](#).

## **Acknowledgement**

The Institute of Public Accountants continues to work in collaboration with Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Certified Bookkeepers in the application of the CDR to our sector and how it applies to our members.

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