IBM Centre
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TO : Walrus Committee (NSW Government)

RE : IBM Input to Walrus Committee submission to NSW Government on removing barriers to electronic land contracts

To introduce our team, IBM Australia have an expert team in implementing and consulting on the design and implementation of e-signature technology in the market, currently with a major focus on the Banking and Finance sector. Our team in ANZ has been across all aspects of e-signature in this market including requirements, legal questions, industry issues, regulatory aspects in the market (in particular in financial services) and technology. Much of our experience has been proven in a recent Enterprise deployment across multiple brands and lines of business (including mortgages) for an Australia Big 4 bank.

We partner with Nuvola – an Australian expert company in the area of security and e-signatures. Nuvola have developed a digital transformation layer wrapping value around e-signatures and eSignLive (VASCO) – a global company who are the market leader in e-signature, identity and security products deployed into regulated markets (Banking, Finance, Government).

Our work in the industry has been recently recognised in the market - we were recently nominated as finalists for a 2018 Paragon Award in the category of imagination by ISG, *"For creativity and entrepreneurial spirit in helping organizations future-proof businesses and better serve customers"*

http://isg-one.com/events-landing/event-detail/2018-paragon-awards-anz

(1) Where are we in the Australian Market ?

IBM have seen a major gap in the delivery of eSignatures in the Australian market versus the clear major demand that exists. We have focused activity occurring in financial services but the opportunity in the Australian market is vast across all industries. We are taking a unique leading edge "Digital Acceptance solution " to the market which is now delivering value in one of the most demanding environments being in production at an AU Big 4 bank covering a number of complex business processes including personal loans, mortgages, business banking and wealth products. A surge in mobile device use has broadened Digital Transformation to a point that the eSignature function covers approximately only 20% of the requirements. Many organisations are not aware of the additional requirements to deliver eSignature and are hit with large additional investments. Our solution is reusable and provides a low cost less risk approach that allows for complete end-to-end business processes to be modelled to drive efficiency, user experience and customer conversions allowing contracts/ products to be digitally accepted. This solution is far beyond e-signatures but does encompass that capability making it significantly different from anything else in the market for the following reasons:

a) we are providing a digital acceptance solution (that's beyond other e-signature solutions in the market which only manage contract signing). Our solution is being used for end-to-end digital transformation where customer on-line data, communication and forms interaction is key - there are benefits with faster document conversion (equating to revenue uplift), 80% cost saving versus paper exchange and back room operational processes are transformed with visibility of document status with a customer (signed / not signed).

b) we use eSignlive for eSignature capability as it is the market leader in Private instance solutions for protected markets (Banking/Finance/Government) - it is a key part of our solution but as indicated remains a 20% part of our overall capability. The Nuvola WAFR engine provides significant functionality differentiation that exploits branding, workflow, analytics/reporting, multiple use case operator access, customer and case operator portal, and additional configuration that enables a superior customer experience

c) our solution has APRA level security compliance on a local cloud (IBM Bluemix) platform aligning to requirements set out in the APRA Shared Computing Paper and the APRA Outsourcing Standard

d) a client organisation can be enabled in a 3 to 6 month period using our solution as a service in cloud.

e) we offer a consumption commercial based model across the end to end process.

f) In A/NZ now our solution is being deployed (we are already in production) as enterprise across a big 4 bank, there are also a number of other financial institutions about to commence pilot work and there is a healthy growing pipeline.

(2) Our comments on the Allens Walrus submission

We have met with Allens to discuss the work that they have done in the area of esignature use and adoption in the Australian market. We understand that they have experience in this field and there is evidence of the work that they have done available in the public domain. For example:

http://www.afr.com/business/legal/legal-industry-slow-to-sign-up-to-esignature-20160713-gq4nu1

https://www.allens.com.au/med/insights/insightsmarXVII.pdf

IBM is also itself aware of the legal issues, technical challenges and questions that arise in relation to e-signature solutions, and the ways that parties can seek to address those issues. Our team regularly interacts and deals with the client teams involved in vetting and approving the solutions that IBM brings to market.

IBM notes that the legal positions outlined in the Walrus Group summary address many of the key items and questions raised by those client teams. For example:

(1) witnessing;
(2) technology standards;
(3) admissibility in court;
(4) demonstration of intent; and
(5) equivalency to wet signatures.

We anticipate that the adoption of e-signature technology will continue to grow in the market, in particular in relation to real estate transactions. We see financial institutions will continue to aggressively adopt this technology to facilitate the efficiency of loan products associated with land transactions.

IBM would be happy to talk further with any of the members on the Walrus Committee to provide our points of view and share our experiences on executing eSignature technology in the market.

Scott Hutchinson

(IBM Technology Partner and leader of IBM A/NZ e-signature team)