



## Director Identification Numbers

By Jon Broadley, Director

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A new corporate requirement has been introduced in Australia. A Director Identification Number is a unique identifier number which must be obtained by all existing and prospective company directors. The Director ID must be personally applied for and kept forever by a director. It is aimed at preventing the use of false or fraudulent director identities, including illegal "phoenixing" activities and will increase director accountability and traceability.

You need a Director ID if you are an "eligible officer" of a company, a registered Australian body, a foreign registered company, or an Aboriginal and Torres Strait Islander corporation. An "eligible officer" is a person appointed as a director or alternative director who is acting in that capacity.

### When to Apply

There is no cost to apply for a Director ID and you can apply on and from 1 November 2021.

For directors appointed under the *Corporations Act 2001* (Cth):

Date you become a director	Date you must apply for Director ID
On or before 31 October 2021	By 30 November 2022
Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
From 5 April 2022	Before appointment



### How to Apply

The Director ID regime will be administered by Australian Business Registry Services (ABRS), a newly established function of the Australian Taxation Office (ATO). The quickest way to receive your Director ID is to apply online through ABRS.

Directors must apply themselves because it is necessary to identify their identity. For an online application, a director will need:

- a standard or strong identity strength MyGov ID. If you are an eligible director and do not already have a MyGov ID, you can set up your MyGov ID on <http://www.mygovid.gov.au/set-up>;
- your Tax File Number;
- your residential address as held by the ATO; and
- information from two documents to verify your identity.

The types of documents which can be used to verify your identity include:

- bank account details;
- an ATO Notice of Assessment;
- Superannuation account details;
- a Dividend Statement;
- a Centrelink Payment Summary; and
- a PAYG Payment Summary.

In addition, a director can apply for a Director ID by telephone and by post (for applicants within and outside Australia).

### Director ID Obligations

A Director must:

- apply for a Director ID within the relevant time frame, or when directed by the ABRS Registrar to do so;
- not apply for more than one Director ID (unless directed by the Registrar to do so);

- not misrepresent the Director ID to a Commonwealth body, company, registered Australian body or Aboriginal and Torres Strait Islander corporation; and
- not be involved in a breach of the above obligations.

Directors who do not comply with their obligations may face substantial civil or criminal penalties of 5,000 penalty units, which currently stands at \$1.11 million dollars.

### Privacy

The ABRS Registrar has advised, at the present time, that a Director ID will not be searchable by the public. Once your Director ID is obtained, it should be provided to your company secretary or other record-holder.

The ABRS will only disclose your Director ID to you or to:

- someone the director gives permission to disclose;
- certain Commonwealth, State and Territory government bodies; and
- Court and Tribunals

If you would like to discuss this article further please contact:

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