

## Article Information

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## Australia introduces compulsory Director ID numbers

- ***From November 2021, Directors will need to apply for a Director ID number to prevent the use of false identities, assist regulators trace Directors' relationships and uncover unlawful activity.***
  - ***A Director ID will be permanently linked to a Director, even if they cease to act as a Director, change their name or move overseas.***
  - ***The new requirement impacts all company Directors, with civil and criminal penalties for those who fail to comply.***
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The Australian Government is set to roll out its new initiative to streamline the Australian Business Registry Services (ABRS) and Australian Securities and Investments Commission (ASIC) registers, requiring Directors to apply for a unique identification number (Director ID). The new regime is proposed to increase Director accountability and traceability whilst preventing unlawful activities such as phoenexing.

### Who needs a Director ID?

All Directors or Alternate Directors of:

- a company, corporate trustee, a registered Australian body or a registered foreign company under the Corporations Act 2001 (Cth) (Corporations Act);
- an Aboriginal and Torres Strait Islander corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act); or
- a charity or not-for-profit organisation that is a company

### What are the exemptions to obtaining a Director ID?

Directors are not required to obtain a Director ID if they are:

- a company secretary but not a Director;
- acting as an external administrator of a company;
- running a business as a sole trader or partnership;
- their job title is 'Director' but they have not been appointed as a Director under the Corporations Act or CASTI Act;
- a Director of a registered charity with an organisation type that is not registered with ASIC to operate throughout Australia, or
- an officer of an unincorporated association, cooperative or incorporated association established under state or territory legislations, unless the organisation is also a registered Australian body.

### How to apply

Directors will only need to apply for a Director ID once in their lifetime and will be able to do so from November 2021 through the [ABRS Website](#).

All Directors will need to apply themselves (not through an ASIC or tax agent) as their identity must first be verified through myGovID. Directors should have their ID documents at hand including Passport and Driver Licence, along with other documents used for verification purposes. Once this is complete, they will be able to apply for a Director ID.

### **When to apply**

Under the Corporations Act, the date you must apply for your Director ID is as follows:

<b>Date you were appointed as Director</b>	<b>Date you must apply for your Director ID</b>
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

Under the CATSI Act, the date you must apply for your Director ID is as follows:

<b>Date you were appointed as Director</b>	<b>Date you must apply for your Director ID</b>
On or before 31 October 2022	By 30 November 2023
From 1 November 2022	Before appointment

### **Penalties for non-compliance**

Directors who do not comply will be subject to civil and criminal penalties if they:

- do not apply for a Director ID within the prescribed timeframes or if directed by the regulator to do so;
- intentionally apply for more than one Director ID;
- provide a false Director ID; or
- are actively involved in the contravention of any of the above offences.