



***We enclose a Director Identification Number (Director ID) Update
for all Companies Directors
for the exclusive use of clients of The Mischel & Co Group of Companies.***

Dear Client,

While our thoughts have been dominated by the immediate task of managing business affairs during the current pandemic and navigating the various lockdowns, there is another important issue that is about to demand your attention: Director IDs.

Part of a major modernisation of Australia's business registries, the introduction of Director IDs – a unique identifier that a director will keep indefinitely – is designed to help stamp out illegal phoenixing and other fraudulent activity, enabling the Federal Government to verify and track the corporate history of individual directors.

In a major step, the Australian Tax Office has launched the Australian Business Registry Services website (ABRS), enabling directors to now apply for their ID.

When you need to apply depends on the date you were appointed as a director, however we recommend you apply for your sooner rather than later.

What is a Director Identification Number (Director ID)?

The Director Identification Number (Director ID) is a unique identifier that a director will apply for once but will stay with a director for life, offering greater identity security.

The objective of this rollout is to create a fairer business environment by helping prevent the use of false and fraudulent director identities. This will go a long way to better identifying and eliminating director involvement in unlawful activity.

A Director ID is a 15-digit identifier given to a director, or someone who intends to become a director, who has verified their identity with the Australian Business Registry Services (ABRS).

The number will start with 036, which is the 3-digit country code for Australia under International Standards and ends with an 11-digit number and one 'check' digit for error detection.

Directors will only ever have one Director ID. They'll keep it forever even if they - change companies, stop being a director, change their name, move interstate or overseas. This will be used to trace relationships to companies over time.

Who needs a Director ID?

You will need a director identification number (DIN / Director ID) if you're a director or alternate director who is acting in that capacity of

1. a company,
2. corporate trustee, eg of a self-managed super fund (SMSF) or Trust,
3. charity or not-for-profit organisation that is a company,
4. registered Australian body, for example, an incorporated association that is registered with the Australian Securities and Investments Commission (ASIC) and trades outside the state or territory in which it is incorporated,
5. foreign controlled company or subsidiary
6. foreign company registered with ASIC and carrying on business in Australia (regardless of where you live).
7. Other individuals will also be required to register for a Director ID when acting as legal personal representative (LPR), and this includes situations of incapacity, Enduring Power Of Attorneys (EPA), and overseas absence.

Why you need a Director ID?

All directors are required by law to verify their identity with ABRS before receiving a Director ID. This is important because it will help to:

- prevent the use of false or fraudulent director identities
- make it easier for external administrators and regulators to trace directors' relationships with companies over time
- identify and eliminate director involvement in unlawful activity, such as illegal phoenix activity.



Illegal phoenix activity is when a company is liquidated, wound up or abandoned to avoid paying its debts. A new company is then started to continue the same business activities without the debt. When this happens:

- employees miss out on wages, superannuation and entitlements
- suppliers or sub-contractors are left unpaid
- other businesses are put at a competitive disadvantage
- the community misses out on revenue that could have contributed to community services.

When will directors need to apply for a Director ID?

Transitional arrangements will allow directors to become familiar with the new requirement before needing to be compliant. When you need to have a Director ID will depend on when you were appointed as a director.

The below table summarises the timing of when you need to apply by, however we are recommending that you apply for yours now instead of waiting.

| Corporations Act 2001 (Corporations Act) Appointment of directors | When they need to apply |
|---|--------------------------------|
| Existing directors appointed on or before 31 October 2021 | By 30 November 2022 |
| New directors appointed between 1 November 2021 to 4 April 2022 (inclusive) | Within 28 days of appointment |
| New directors appointed from 5 April 2022 | Before appointment |
| Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act) Appointment of directors | When they need to apply |
| Existing directors appointed on or before 31 October 2022 | By 30 November 2023 |
| New directors appointed after 1 November 2022 | Must apply before appointment* |

To be a director under the Corporations Act, you must:

- be an individual who is at least 18 years old
- not be disqualified from managing corporations, unless the appointment is made with the permission of ASIC or the Court.

How and when to apply for Director ID?

Directors can apply for a Director ID now from the new Australian Business Registry Services (ABRS) online website:

<https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>

Directors will also need to log in using the myGovID app to complete the application process. Furthermore, they will need to provide proof of identity documentation to verify their identity (refer below for detailed step-by-step guide). A director can choose to provide their tax file number when applying for a Director ID, which should expedite the application process.

Directors will need to apply for their Director ID by themselves because they need to verify their identity. As a result, we as your agent / advisor cannot apply for the Director ID for you but we can definitely assist you in the process.

This is going to be a real challenge, in particular for the SMSF Trustees and with older clients due to the fact that they will need to go through a myGovID process instead of otherwise contacting the ATO on paper form, which the ATO is quite clearly trying to keep people away from.

Processes of applying for a Director ID?

| How to apply? | | |
|--|---|--|
| myGovID | Phone | Mail |
| <p>This is the ATO's preferred method which will be the quickest way to lodge your application.</p> <p>We recommend setting up your myGovID as soon as possible in order to complete this.</p> | <p>If you are in Australia, phone 13 62 50.</p> <p>If you are calling from overseas, phone +61 2 6216 3440</p> <p>Please have the required documents you need to be able to verify your identity ready.</p> | <p>There is a paper form available on the ABRS website and they have advised that this method will be heavily delayed.</p> |

myGovID processes of applying for a Director ID?



To set up your Director ID through the myGovID process please follow these steps:

Step 1 – Set up myGovID App on your telephone

You will need to set up a myGovID app (available from the Apple App Store or Google Play) on your smart telephone with a Standard or Strong identity strength.

As it's your personal Digital Identity, you should set up your myGovID using a personal email address. It should not be a shared or work email address.

If you don't have a myGovID, you can find information on how to download the app at: <https://www.mygovid.gov.au/set-up>

If don't have a smart telephone or live outside Australia or are a foreign director of a company operating in Australia and can't get a myGovID or don't want to apply through myGovID online, you will need to apply with a paper form which you can get from our office (refer below for a detailed step-by-step guide).

NOTE: Paper applications will be heavily delayed in processing as you will need to provide certified copies of your identity documents which will take time by the Government to review and authenticate that no duplicate applications have been lodged.

myGovID is different from myGov



- myGovID is an app. You download the myGovID app to your smart device. It lets you prove who you are and log in to a range of government online services, including myGov.
- myGov is an account. Your myGov account lets you link to and access online services provided by the Australian Taxation Office (ATO), Centrelink, Medicare and more.

Step 2 – Gather your documents

You will need to have the following information the ATO knows about you when you apply for your Director ID including:

- your tax file number (TFN)
- your residential address as held by the ATO
- Any two of the following documents to verify your identity.
 - bank account details (you received an income tax refund in, or that has earned interest in the last two years.
 - an ATO notice of assessment that has been issued in the last five (5) years. You will need both the: date of issue and the reference number.
 - super account details from the last five (5) years.
 - a dividend statement from the last two (2) years.
 - a Centrelink payment summary from the last two (2) years.
 - a PAYG payment summary issued in the last two (2) years (this is different to your income statement, and/or your PAYG instalment activity statement).

Step 3 – Complete your application

Once you have a myGovID with a Standard or Strong identity strength, and information to verify your identity, you can log in and apply for your Director ID at the following link:

<https://mygovid.gov.au/AuthSpa.UI/index.html#login>

The application process should take less than 5 minutes and the director ID is issued instantly.

Step 4 – Provide Director ID to our Office

When you receive your Director ID, you need to email it to our office (admin@mischco.com.au) as The Mischel and Co Group Pty Ltd is the authorised ASIC Agent for your company we need this so that we can update the company records.

If you are appointed a director of another company in the future, you will need to provide your Director ID number to the people responsible for maintaining the records / Corporate Register of that company, if this office is not the appointed ASIC Agent.

Directors must also inform the ABSR registrar of any changes to the information attached to their Director ID.

Other Methods of applying for a DIRECTOR ID?

The fastest way to receive your Director ID is to apply online, however if this is not an option for you please contact this office for further information and assistance to apply for your Director ID via paper lodgement or telephone which we have detailed the process below:



Telephone Applications – Within Australia

To apply via telephone you will need the following information with you:

- Your Australian tax file number (TFN)
- your residential address as held by the Australian Taxation Office (ATO)
- answers to two questions to verify your identity (per step 2 above)
- two Australian identity documents – one primary and one secondary.

Primary documents

- Australian full birth certificate (extracts are not acceptable)
- Australian passport (including passports expired in the past two years)
- Australian citizenship certificate
- ImmiCard
- Visa (if you are using a foreign passport but you are still in Australia)

Secondary documents

- Medicare card
- Australian driver's licence or Australian learner's permit. This must show your photo, signature and the address on the card must match the details on your application.

When you have all the information to apply for the Director ID please call the tax office between 8.00am and 6.00pm Monday to Friday on the following numbers.

- If you are in Australia, phone **13 62 50**.
- If you are calling from overseas, phone **+61 2 6216 3440**.

Paper Applications – Within Australia

In addition to the information requested on the application form, you will need to provide certified copies of one primary and two secondary identity documents.



Do not send original documents as these will not be returned to you.

Primary documents

- Australian full birth certificate (extracts are not acceptable)
- Australian passport (including passports expired in the past two years)
- Australian citizenship certificate
- Foreign passport

Secondary documents

- Medicare card
- Australian driver's licence or Australian learner's permit. This must show your photo, signature and the address on the card must match the details on your application.

Certifying your Documents

Copies of documents you provide to support your application must be certified as true and correct copies of the original document by an authorised certifier.

To certify your documents:

- ensure the copy and any photograph is clear and identifiable
- take the copies and originals to an authorised certifier.
- The authorised certifier should:
 - stamp, sign and annotate the copy of the identity document to state, 'I have sighted the original document and certify this to be a true and correct copy of the original document sighted'
 - initial each page
 - list their name, date of certification, phone number and position.
 - the stamp must show the certifier's qualification, contact details including phone number, and reference number (if applicable).
 - if the stamp does not include their name or contact details, they should print them underneath their signature.
 - ensure that the document has not been altered or corrected and initialled as it will not be accepted.

The following people can certify copies of your original identity documents as true and correct:

- Barrister
- Solicitor
- Medical practitioner
- Judge
- Justice of the Peace (JP)
- Minister of religion (who is authorised to celebrate marriage)
- Police officer
- Bank, building society or credit union officer with at least five years of service
- Sheriff's officer

NOTE: The Tax Office have advised that they **will not** accept copies certified by a registered tax or ASIC agent as the ongoing commercial relationship could create a real or perceived conflict of interest. A certifier should never witness documents for their family, business, clients, employer or any other person where it could create a real or perceived conflict of interest.

Documents in languages other than English

If your identity documents aren't written in English, you must provide a certified copy of the original document and also arrange for the documents to be translated into English. Translations must be completed by an approved translation service and certified as a true and correct copy by the service. An approved translation service is an appropriate embassy, or a professional translation service accredited by the National Accreditation Authority for Translators and Interpreters Ltd (NAATI).

The translation should also display an official stamp (or similar) that shows the certifier's accreditation.



Paper Applications – Outside Australia

In addition to the information requested on the application form, you will need to provide certified copies of one primary and two secondary identity documents.



Do not send original documents as these will not be returned to you.

Primary documents

- Foreign birth certificate passport
- Foreign passport
- Australian full birth certificate (extracts are not acceptable)
- Australian passport (incl passports that expired in the past two (2) years)

Secondary documents

- National photo identification card
- Foreign government identification
- Driver's licence, as long as the licence address matches the address details on your application
- Marriage certificate, but if you use this document to verify your change of name, you can't use it as a secondary document

If you have changed your name, you must provide another document showing the change, such as a:

- marriage certificate
- deed poll
- change of name certificate.

Certifying your Documents

The following people are authorised to certify your identity documents outside Australia:

- notary publics,
- If your country is party to the Hague Apostille Convention, you can ask the competent authority in your country to certify a copy of your documents by using an apostille,
- staff at your nearest Australian embassy, high commission or consulate, including consulates headed by Austrade honorary consuls.

If you can't provide certified copies of your paper identity documents with your application form, contact us to discuss your circumstances, we may be able to apply for an extension of time to apply for the Director ID.

An authorised certifier must, in the presence of the applicant, certify that each copy is a true and correct copy of the original document. This involves:

- sighting the original documents
- stamping, signing and annotating the copy of the identity document to state, 'I have sighted the original document and certify this to be a true and correct copy of the original document sighted'
 - initial each page
 - list their name, date of certification, phone number and position.
 - ensure that the document has not been altered or corrected and initialled as it will not be accepted.

Documents in languages other than English

If your identity documents are not written in English, you must arrange for them to be translated into English.

Translations must be completed by an approved translation service and certified as a true and correct copy. Each translation should display an official stamp (or similar) that shows the certifier's accreditation.

Translations should also be accompanied by a certified copy of the original document in the language of origin. The certifier must sign and stamp the original copy of the document as a true and correct copy.

To find out more about an authorised translation service in your country, contact your closest Australian embassy, high commission or consulate.

For a list of Australian embassies, high commissions and consulates by country, go to the Australian Department of Foreign Affairs and Trade website: <https://www.dfat.gov.au/>

Non-compliance

Failing to hold a Director ID may result in an infringement notice of \$1.1 million dollars or possible civil and/or criminal prosecution. Additional compliance breaches include if a director:

- Fail to apply for a Director ID within the prescribed timeframes
- Fails to comply with a direction from the Registrar
- Intentionally applies for multiple Director ID's
- Provides a false ID
- Misrepresents their ID
- Provides false or misleading information.

View or update your details

If you have a myGovID, you can log into ABRS online to view your Director ID or update your details whenever you need to. You can also:

- check your Director ID number and status, including when it was issued
- view things to do, actions in progress and past activity
- edit your profile preferences and some of your personal details.

Update your details with your company

Corporations Act directors

If your personal details change, you must notify your company within seven (7) days. Details may include your name, role or address.

In turn, the person (or people) responsible for keeping your company officeholders' details up-to-date must notify Australian Securities and Investments Commission (ASIC) of the change. They need to do this within 28 days to avoid late fees.



They can update officeholders' names and addresses and other details using ASIC's online services at [Changing officeholder details](#).

Conclusion

If you have any questions in relation to the above or need assistance with your Director ID application, please contact the office to discuss your requirements further.

The information supplied in this memorandum has been sourced from numerous publications available to The Mischel & Co Group of Companies including the Australian Taxation Office website and other specialist publications.

The content of this information memorandum is general information only and is not intended to serve as advice as your personal circumstances have not been considered. It's important to consider your particular circumstance before deciding what is right for you as it does not reflect all the legislation announcements but simply highlights those points which we believe are most likely to affect our clients.

The Mischel & Co Group recommends you obtain personal advice concerning specific matters before making a decision.

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