

Director Identification Numbers

In response to a recommendation by the Productivity Commission, last year the Commonwealth passed the Treasury Laws Amendment (Registries Modernisation and Other Measures) Act 2020 designed to centralise Australian business registers.

3 November 2021

The Act introduces a requirement for all current and future directors of Australian corporations to apply, and permanently hold their own unique director identification number (Director ID).

A Director Identification Number is a unique identifier and has been introduced to prevent the false or fraudulent use of directors' identities.

Who needs to apply for a Director ID

Under this legislation, each person who holds the position of an eligible officer for an Australian or foreign registered corporation, will be required to confirm their identity by obtaining a personal Director ID, which they will use for all director appointments. These requirements therefore extend to any director of a trustee company as well as directors of corporate entities including companies limited by guarantee.

You need a Director ID if you are an "eligible officer" of:

- a company, a registered Australian body or a registered foreign company under the *Corporations Act 2001* (Corporations Act)
- an Aboriginal and Torres Strait Islander corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act)
- Charity or not-for-profit organisation that is a company or Aboriginal and Torres Strait Islander Corporation, for instance public companies limited by guarantee
- Director of Incorporated Associations which have an Australian Registered Body Number (ARBN) - an incorporated association that is registered with ASIC and trades outside of the state or territory in which it is incorporated will be affected even if they are not ACNC registered.

An eligible officer is a director or an alternate director who is acting in that capacity.

There is provision for other types of officers to be prescribed by regulation so there may be further changes to this in the future.

When to apply for a Director ID

The Director ID application will be available from **November 2021**, with transitional arrangements for existing and new directors. When you need to apply for a Director ID will depend on when you become a director, as set out below:

Date person becomes an eligible officer	Must apply
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

Eligible officers in place prior to 31 October 2022 for Indigenous corporations that are governed by the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act) will be required to apply for a Director ID by 30 November 2023 and those who become directors after 1 November 2022 will need to apply before their appointment.

Application process – for applicants outside Australia

If you are a foreign director you will need to apply for your Director ID using the paper option.

This is a slower process and you will need to provide certified copies of the directors identity documents.

Once you have obtained a Director ID, you will be required to register this against any existing eligible officer appointments. [It will be retained permanently by you](#), similar to the way a tax file number is applied to each individual.

Paper application

When lodging a paper version, you will need to provide certified copies of your identity documents. Do not provide originals as they will not be returned.

You must provide one primary document and one secondary document.

The process is to complete the application form which is available from here:

https://www.abrs.gov.au/sites/default/files/2021-10/Application_for_a_director_identification_number.pdf

Primary documents are:

- Foreign Birth Certificate
- Foreign Passport
- Australian Full Birth Certificate (extracts and commemorative certificates are not acceptable)
- Australian Passport (including passports that expired in the past two years)

Secondary documents are:

- 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.

Who can certify your documents?

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

- notary publics
- staff at your nearest Australian embassy, high commission or consulate, including consulates headed by Austrade honorary consuls.

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 document
- 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'
- initialling each page
- listing their name, date of certification, phone number and position.

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.

Penalties

There are penalties if you:

- fail to apply within the prescribed timeframe
- intentionally apply for more than one Director ID
- provide a false Director ID
- are actively involved in the contravention of any of the above offences.

Under the law, directors who fail to apply for a Director ID within the required timeframe may face criminal or civil penalties. The Registrar of the program, once the scheme is operative and an eligible officer fails to apply for a Director ID can specify time limits for compliance, issue infringement notices in regard to civil and criminal penalties and also seek penalties against providers of false information.

The penalties are extremely high of up to \$1.11million under the Corporations Act and \$200,000 under the CATSI act.

How long does a Director ID last?

The Director ID will be permanently attached to the director, even if they cease to be a director, change their name, or move interstate or overseas.

If a Director ID has not been used for a period of 12 months, the number will have its status changed to inactive. If you then need to use your Director ID again you will need to re-apply and request your inactive Director ID be reinstated to active status.

Get in touch

We will provide further information in November 2021 once the application process is open. Although we cannot do your application for you, we can assist you in the process. Please do not hesitate to reach out to your SW Consultant to gain their assistance and more detailed instructions.



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