

On 1 November 2021, the Australian government's Director Identification Number (**Director ID**) regime commenced, with a 12-month transitional period. Under the new regime, all directors of Australian companies must have a Director ID. A Director ID is a unique 15-digit identification number, to be used by that individual when interacting with any government agency in their capacity as a director.

In implementing Director IDs, the government aims to promote traceability and transparency. Director IDs will allow a director's history and relationships with different companies to be traced, providing a mechanism to assist regulators in investigating a director's involvement in unlawful activity, including illegal phoenix activities.

The Australian Business Registry Services (**ABRS**), a newly created arm of the Australian Tax Office, is responsible for implementing and administering the regime.

Who Needs a Director ID?

Going forward, all individuals will need to apply for a Director ID if they are a director of the following entities:

- An Australian company
- An Australian corporate trustee
- A registered Australian body
- An Aboriginal or Torres Strait Islander corporation
- A charity or not-for-profit organisation (where the charity is an Australian company or Aboriginal and Torres Strait Islander corporation)
- A foreign company registered with ASIC and carrying on business in Australia

When Do I Need to Apply By?

All current directors must apply for a Director ID by **30 November 2022**.

Going forward, any directors appointed between 1 November 2021 and 4 April 2022 must apply for a Director ID within 28 days of their appointment. From 5 April 2022, a director must have applied for a Director ID **prior** to their appointment.

How Do I Apply for a Director ID?

A director can obtain a Director ID by applying through the ABRS website. In order to apply online, a director will need an Australian tax file number, as well as a myGovID. Alternatively, a director can apply via a telephone application or a paper application form.

Once issued with a Director ID, this unique identifier will be permanently assigned to an individual. A director will retain the same Director ID regardless of whether they change companies, stop being a director, change their name or move interstate or overseas.

Are There Any Penalties if I Do Not Register for a Director ID in Time?

It is an offence under the Corporations Act 2001 (Cth) to not have a Director ID when required. If a director fails to obtain a Director ID within the timeframes listed above, they may be subject to civil and criminal penalties.

Authors



Clive Lee
Of Counsel, Sydney
T +61 2 8248 7870
E clive.lee@squirepb.com



Elisa Blakers
Associate, Sydney
T +61 2 8248 7840
E elisa.blakers@squirepb.com