



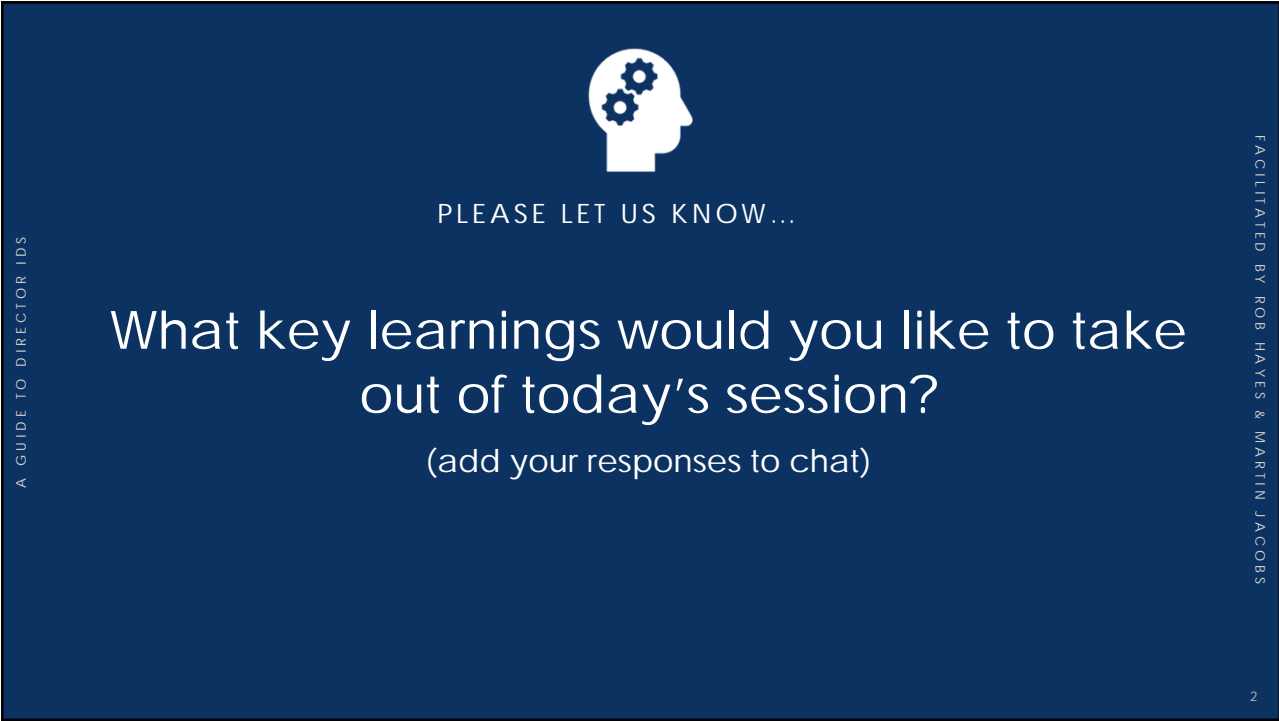
Australian Institute of Company Directors

A Guide to Director IDs
Who needs one and how to apply




companydirectors.com.au With hosts – Martin Jacobs & Rob Hayes Wednesday 2 February 2022

1



PLEASE LET US KNOW...

What key learnings would you like to take out of today's session?
(add your responses to chat)

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

2

A GUIDE TO DIRECTOR IDS

FACILITATORS



Christian Gergis GAICD
Head of Policy, Advocacy,
Australian Institute of Company
Directors

- Provides strategic leadership of the AICD public policy agenda engaging with stakeholders across broad issues.
- Held senior roles as Head of Policy & Research at the Australian Private Equity & Venture Capital Association (AVCAL) and Herbert Smith Freehills, Corporate and Litigation areas.



Martin Jacobs
Assistant Commissioner,
Business Registry Service
Director ID Delivery ATO

- Assistant Commissioner for the Business Registry Service in the Australian Taxation Office's Australian Business Registry Services.
- Martin leads the registration services for the Australian Business Register and is working on the implementation of director identification numbers.



Rob Hayes
Director, Director ID Onboarding,
Australian Business Registry
Services (ABRS), ATO

- Worked in the ASIC Registry for over 12 years.
- Rob manages many of the key registry stakeholder relationships and is leading the challenge of onboarding approximately 2.7 million existing directors along with those who are intending or have recently become directors.

FACILITATED BY ROB HAYES & MARTIN JACOBS

3

A GUIDE TO DIRECTOR IDS

Today we will cover:

1

What is a Director ID and its what are the benefits?

2

Who needs to have a Director ID?

3

When and how do directors apply for a Director ID?

4

Next steps

FACILITATED BY ROB HAYES & MARTIN JACOBS

4

POLL ACTIVITY

What is your current status?

A
I have not yet started my director ID application

B
I have set up myGovID

C
I have applied for my director ID

A GUIDE TO DIRECTOR IDS


FACILITATED BY ROB HAYES & MARTIN JACOBS

5

5

ONE

What is a director ID and why do we need it?



A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

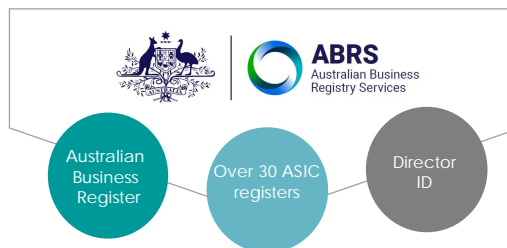
6

6

Australian Business Registry Services

The ABRS will:

- bring together the Australian Business Register (ABR) and the Australian Securities and Investments Commission (ASIC) registers into a single registry
- streamline how businesses register, view and maintain their business information with government
- introduce the director identification number (director ID) initiative.



The custodian of trusted business information and a world class provider of associated services used by businesses, governments and communities to unlock economic and social value for Australia.

OFFICIAL – Director ID EXTERNAL

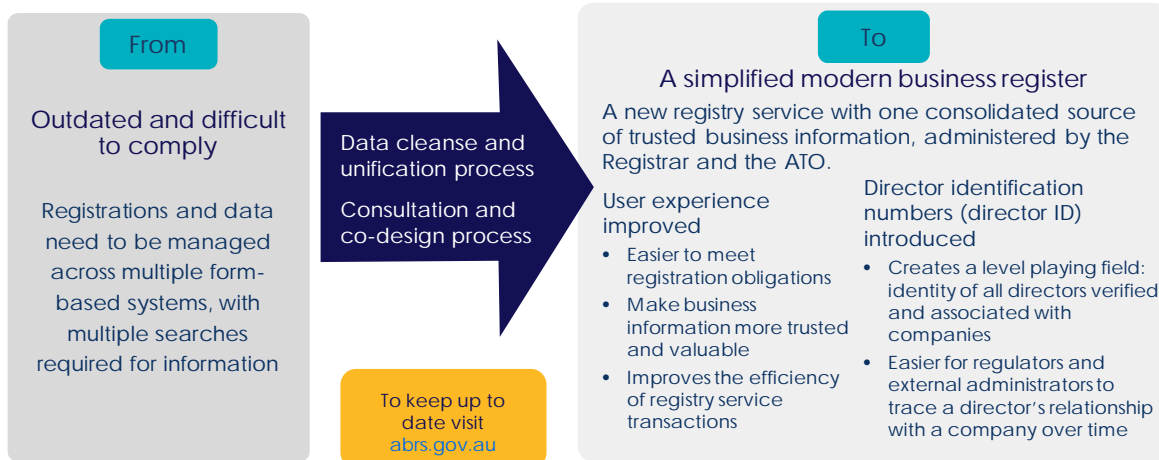
FACILITATED BY ROB HAYES & MARTIN JACOBS

7

7

Modernising business registers program

The MBR program will deliver a new modern registry service called the Australian Business Registry Services (ABRS)



FACILITATED BY ROB HAYES & MARTIN JACOBS

8

8

Benefits of director IDs

Director ID will help prevent the use of false or fraudulent director identities on the new registry service

Directors have obligations under the law.

Shareholders, employees, creditors, consumers, external administrators and regulators need to know who the directors of a company are.

It's important for the identity of directors to be verified.

All directors will be required under the law to apply for a director ID.

A director ID will only be given to a person who has verified their identity with the Registrar.

A person keeps their director ID forever even if they:

- change companies
- stop being a director
- change their name
- move interstate or overseas

It will be easier to trace directors' relationships with companies and identify and eliminate director involvement in illegal activity such as illegal phoenix activity.

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS

9

Benefits of director IDs: addressing illegal phoenix behaviour

Director ID will establish confidence in knowing that the identity of company directors has been verified

Current	Future
<ul style="list-style-type: none"> • No verification of identity for directors 	<ul style="list-style-type: none"> • Directors must pass identity verification to get a director ID
<ul style="list-style-type: none"> • Information is duplicated across different registries, managed by different government agencies, leading to poor user experience, data errors and inconsistencies 	<ul style="list-style-type: none"> • A new registry service with one consolidated source of trusted business information, increasing the user experience accuracy and currency of the data
<ul style="list-style-type: none"> • Little transparency of relationships between directors and their company(s) 	<ul style="list-style-type: none"> • Regulators will be able to identify which companies a director is linked to and their changes over time, providing full transparency
<ul style="list-style-type: none"> • No interaction between the Australian Securities and Investments Commission (ASIC) and individual directors, only with company(s) 	<ul style="list-style-type: none"> • Provides flexibility and an integrated user experience with both the director and company being able to add and remove directors
<ul style="list-style-type: none"> • Companies Register is hosted by the Australian Securities and Investments Commission (ASIC) on legacy technology 	<ul style="list-style-type: none"> • Information will be readily available on one contemporary digital platform the Australian Business Registry Service (ABRS) platform
<ul style="list-style-type: none"> • The registry environment allow unscrupulous operators to hide their identities and make it difficult for regulators to detect phoenixing activities 	<ul style="list-style-type: none"> • Creating a level playing field by verifying a director's identity and ensuring you know who you are doing business with

A GUIDE TO DIRECTOR IDs


FACILITATED BY ROB HAYES & MARTIN JACOBS

10

A GUIDE TO DIRECTOR IDS

TWO

Who needs a director ID and who doesn't



FACILITATED BY ROB HAYES & MARTIN JACOBS

11

A GUIDE TO DIRECTOR IDS

POLL ACTIVITY

Which best describes your current position for your primary board/governance role?

- A Non-executive director
- B Executive director
- C Company secretary
- D Senior management
- E Sole trader
- F Other

FACILITATED BY ROB HAYES & MARTIN JACOBS

12

Who needs a director ID?

Only directors need a director ID

A GUIDE TO DIRECTOR IDs

- ✗ Company officeholders
- ✔ **Director**
- ✗ Company secretary
- ✗ External administrator
e.g. receiver, administrator or liquidator
- ✗ Sole trader

Only eligible officers must apply

An eligible officer is a person appointed as:

- a director
- an alternate director who is acting in that capacity.

Intending directors may apply

A person who intends to become an eligible officer within 12 months may apply for a director ID.

A person only needs to apply once for a director ID. There is no need to apply each time they are appointed as a director.

FACILITATED BY ROB HAYES & MARTIN JACOBS

13

Types of entities

Director ID only applies to companies and corporate bodies registered under the Corporations Act and CATSI Act

A GUIDE TO DIRECTOR IDs

Data includes not-for-profit organisations that are registered with the Australian Charities and Not-for-Profits Commission (ACNC).

FACILITATED BY ROB HAYES & MARTIN JACOBS

3,200 Aboriginal and Torres Strait Islander corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. Regulated by the Office of the Registrar of Indigenous Corporations (ORIC).

Incorporated associations are a common structure used by not-for-profit community groups:

- over 100,000 incorporated associations in Australia
- regulated by state and territory governments.

Director ID only applies if the incorporated association is also a registered Australian body under the Corporations Act.


Director ID does not apply to sole traders, partnerships or trusts unless the trust has a corporate trustee.

14

COVID-19: DIRECT IN-GANERU PERFORIDARRE C EORFTBR - SOCIAL DISTANCING

THREE

When and how do I apply?



FACILITATED BY: ROB HAYES & ROY MARTIN JACOBS

15

15

When do I need to apply?

Individuals that are already a director of a registered entity under the Corporations Act 2001 before 1 November 2021, will need to apply for a director ID on or before 30 November 2022.

A GUIDE TO DIRECTOR IDS

FACILITATED BY: ROB HAYES & MARTIN JACOBS

16

16

When people need to apply

The transitional arrangements will allow people to become familiar with the new requirements.


Act	Date person becomes a director	Must apply
<i>Corporations Act 2001</i> (Corporations Act)	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
<i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> (CATSI Act)	On or before 31 October 2022	By 30 November 2023
	From 1 November 2022	Before appointment (subject to consultation)

17


Onboarding directors

Around 2.7 million existing directors need to apply


Self-help resources



Support to go digital




Digital first apply online




www.abrs.gov.au

Non-digital options and support for those who need it



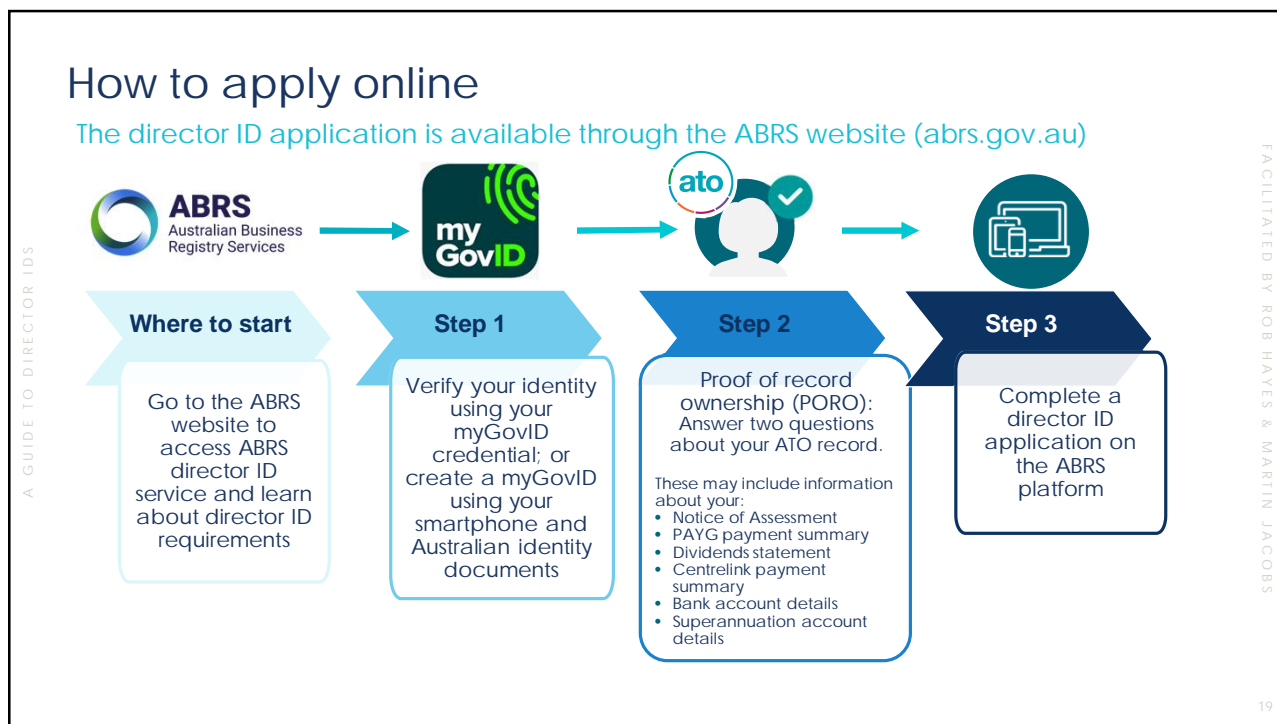
Phone application



Paper application

All channels: If name does not match across documents, additional document is required e.g. change of name certificate.

18



19

myGovID

AUSTRALIAN GOVERNMENT'S DIGITAL IDENTITY PROVIDER

Available on Google Play

Available on the App Store

It is built by the ATO for Whole of Government but it is isolated from ATO systems.

- Users can now step up to a **Strong** myGovID by verifying their face against their Australian Passport
- **Strong** myGovID offers an improved user experience to users applying for a director ID.
- Using a **Strong** myGovID will be optional for ABRs online users.

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

20

20

A GUIDE TO DIRECTOR IDS

myGovID

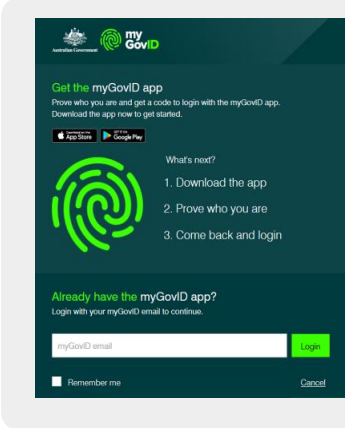
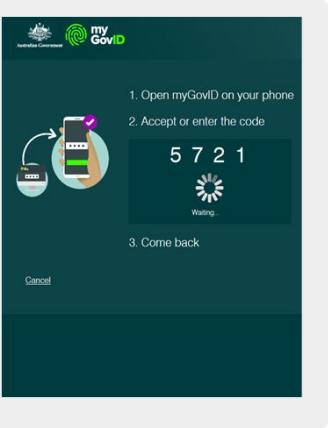
Setting up and using a myGovID

FACILITATED BY ROB HAYES & MARTIN JACOBS

Step 1 - Setting up a standard identity strength

Using two Australian identity documents:

- driver's licence or learner's permit
- passport
- birth certificate
- visa (using foreign passport providing still in Australia)
- citizenship certificate
- ImmiCard
- Medicare card

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

21

A GUIDE TO DIRECTOR IDS

Digital Proof of Record Ownership (PORO)

The process that associates your digital identity to your individual ATO record.

FACILITATED BY ROB HAYES & MARTIN JACOBS

myGovID is isolated from the ATO systems.

It allows online services to know the identity being presented is legitimate and operates within the community.

The ABRs online leverages shared services from the ATO.

To do this online, a digital identity must be 'known to the ATO' or associated to a user's individual ATO record.

Digital PORO is owned by the ATO.

Digital PORO is a one time process for your myGovID with ABRs online

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

22

Visit ABRIS online

Conduct digital Proof of Record Ownership (PORO)

Step 2 Use myGovID to sign in

Conduct proof of ATO record ownership (PORO) by providing:

- tax file number (optional)
- residential address as held by the ATO

Answer two of the following questions:

- bank account details (any interest bearing account)
- PAYG payment summary (from 2018/2019 or 2019/2020. This is not an income statement from Single Touch Payroll).
- Centrelink payment summary
- notice of assessment (available on myGov or from an agent)
- super account details (Self-managed super funds do not apply)
- dividend statement.

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

ABRS online application

Complete the director ID application

Step 3 Complete application

- myGovID details pre-filled (name, date of birth and email)
- ATO details pre-filled (residential address)
- enter place of birth, postal address, mobile number and any former names
- complete declaration


Instantly receive director ID

036 12345 12345 67

A GUIDE TO DIRECTOR IDS


FACILITATED BY ROB HAYES & MARTIN JACOBS

Applying by phone



Jon

Jon calls the ABRs to apply



Kim (ABRS)

Kim verifies Jon's identity using identity documents

Kim completes Proof of Record Ownership with Jon

Kim applies on Jon's behalf

Jon instantly receives his director ID. Kim issues a paper notification of his director ID.

What they'll need

- A TFN (it is optional to quote it).
- Their residential address as held by ATO.
- Be able to answer two questions using details the ATO knows about them.
- Two Australian identity documents, one primary and one secondary.

Primary documents

- Australian full birth certificate (extracts and Commemorative Certificates not acceptable)
- Australian passport
- Australian citizenship certificate or extract from Register of Citizenship by Descent
- Immicard
- Visa (using foreign passport providing still in Australia).

Secondary documents

- Medicare card
- One of the following cards with your photo and signature:
 - Australian driver's licence
 - Australian learner's permit
- Any address on the card must match the details provided on the form.


People applying by phone will instantly receive their director ID.

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS


25

Applying by paper (within Australia)



Peta

Peta goes to ABRs.gov.au or calls the ABRs



Kim (ABRS)

Peta downloads an application form from ABRs.gov.au or Kim sends her the form

Peta certifies her identity documents via a range of authorised certifiers

Peta sends her certified documents and application to the ABRs mailbox

Peta's application is processed and she is sent a paper notification of her director ID within 20 business days of ABRs receiving the application

What they'll need

- Their residential address.
- Certified copies of one primary and two acceptable secondary identity documents.

Primary documents

- Australian full birth certificate (extracts and Commemorative Certificates not acceptable)
- Australian passport
- Australian citizenship certificate or extract from Register of Citizenship by Descent
- Foreign passport.

Secondary documents

- Medicare card.
- One of the following cards with your photo and signature:
 - Australian driver's licence
 - Australian learner's permit
- Any address on the card must match the details provided on the form.

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS

26

Applying by paper (outside of Australia)

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS

What they'll need

- Their residential address.
- Certified copies of one primary and two acceptable secondary identity documents.

Primary documents

- Foreign birth certificate
- Foreign passport
- Australian full birth certificate (extracts and Commemorative Certificates not acceptable)
- Australian passport

Secondary documents

- National photo identification card
- Foreign government identification
- Marriage certificate – if provided to verify change of name, it cannot be used as a secondary document
- Driver licence – licence address must match the address details provided on the application

If identity documents are not in English, certified translations are required.

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS

27

POLL ACTIVITY

How do you intend to apply for your director ID?

A Online

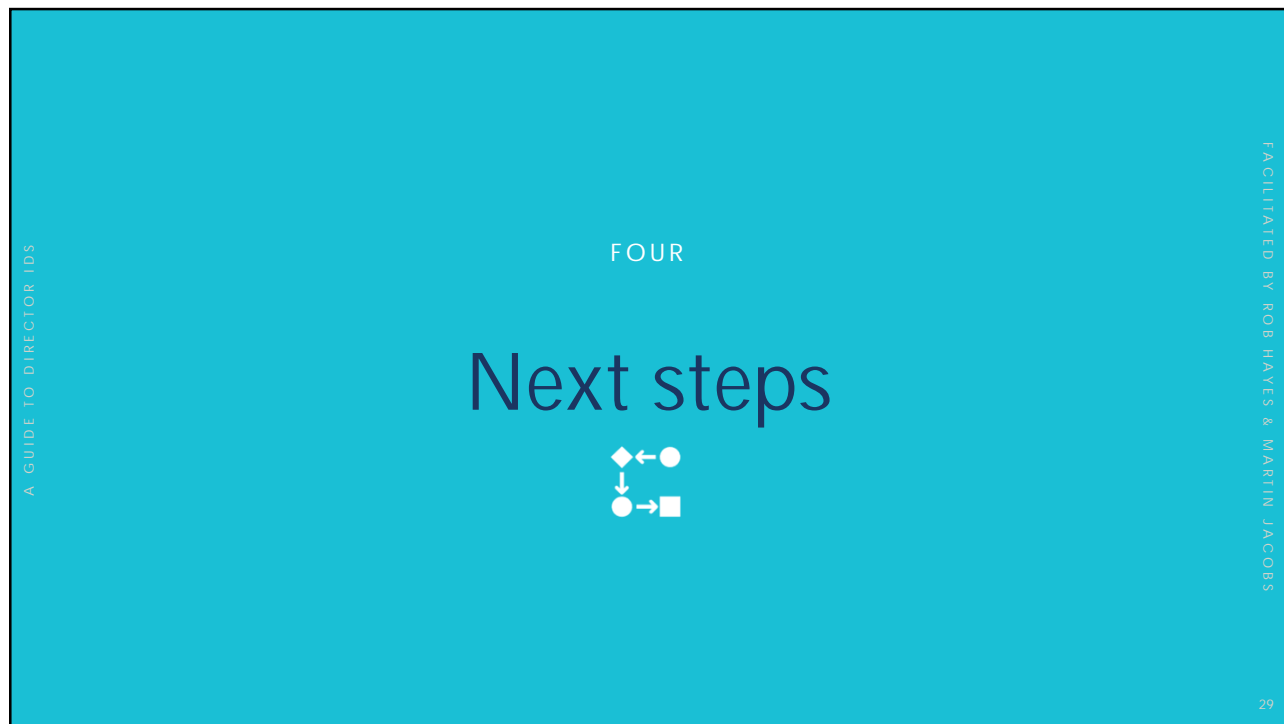
B Via phone

C Via paper application

A GUIDE TO DIRECTOR IDs

FACILITATED BY ROB HAYES & MARTIN JACOBS

28



29

What to do with the director ID

After applying, people will receive their director ID instantly or will be sent a paper notification of their number.

- Directors need to **print or save a PDF record** of their director ID
- Directors should give their director ID **to the person responsible for maintaining the records** of any companies they are a director of. This may be the company secretary, another director or an authorised agent
- A director ID is **not governed by the same rules or laws that apply to a tax file number (TFN)**. An authorised agent or company secretary must ensure that information about a company and its officeholders is:
 - handled **in accordance with their legal obligations**
 - **securely stored**

The Registrar is yet to decide what director ID information will be publicly available when the ASIC companies register is transitioned to the ABRS. This will be subject to public consultation.

30

A GUIDE TO DIRECTOR IDS

What happens next?

For now, there will be no change to ASIC online transactions (or forms) including the ASIC forms 201 and 484 to cater for the collection or the use of the director ID number.

This will take place in the future as the Australian Business Registry Services (ABRS) builds the new registry platform expected in September 2023. Therefore, there is no requirement to include reference to director ID numbers in your ASIC lodgements.

Some commercial software providers have indicated that they will be making provision to not only promote director ID key messages, but to also facilitate collection and storage of the director ID number for future use.


You may need to check this functionality with your software provider.

FACILITATED BY ROB HAYES & MARTIN JACOBS

OFFICIAL – Director ID EXTERNAL

31

A GUIDE TO DIRECTOR IDS



QUESTIONS

FACILITATED BY ROB HAYES & MARTIN JACOBS

32

Summary

1

Director ID applications are open

Eligible directors must set up their *myGovID* first

Visit ABRS.gov.au

2

Existing directors have until 30 November 2022 to apply

3

New directors appointed between 1 November 2021 and 4 April 2022 have 28 days from appointment to apply

4

New directors appointed from 5 April 2022 must apply before they are appointed

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

33

33

Resources

ABRS.gov.au

[FIND OUT MORE](#)

AICD Director IDs portal & FAQs

[FIND OUT MORE](#)

A GUIDE TO DIRECTOR IDS

FACILITATED BY ROB HAYES & MARTIN JACOBS

34

34

A GUIDE TO DIRECTOR IDS



What's next?

WEBINARS

Economic Update - 2022 the year ahead
Tuesday 8 February 12PM AEDT
Member complimentary

Digital Directors - Effective governance of your digital assets
Tuesday 15 February 2022 12PM AEDT
Member complimentary

Subsidiary Boards - Navigating the pitfalls and complexities
Tuesday 22 February 2022, 12PM AEDT

Deep Dive into Board Minutes - A practical examination
Thursday 24 February 2022 12PM AEDT

companydirectors.com.au/webinars

FACILITATED BY ROB HAYES & MARTIN JACOBS

35