

## AUSTRALIA'S INTRODUCTION OF DIRECTOR IDENTIFICATION NUMBERS COMMENCES NOVEMBER 2021

Further to our client alert on [23 November 2020](#), effective from this month directors will be required to have a unique Director Identification Number (**DIN**) in order to verify their identity. This DIN will remain with the director permanently regardless of whether they become a director of another company, cease to be a director, change their name or move interstate/overseas. A director will be unable to apply for multiple DINs.

A DIN is required for eligible officers or those who intend to become an eligible officer within 12 months after applying for a DIN.

An eligible officer is a director or an alternate director, who is acting in that capacity, of:

- > a company registered under the *Corporations Act 2001* (Cth) (**Corporations Act**);
- > a registered Australian body (including charities and not-for-profits even if the organisation is also regulated under another law such as the *Australian Charities and Not-for-profits Commission Act 2012* (Cth));
- > a registered foreign company under the *Corporations Act*; or
- > an Aboriginal and Torres Strait Islander corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (Cth) (**CATSI Act**).

Applications for a DIN can be made on the Australian Business Registry Services (**ABRS**) [website](#).

The date by which a director must apply for their DIN will depend on their date of appointment. Directors governed by the *Corporations Act* are to apply in accordance with the following dates:

Date of appointment as director	Date director must apply by
On or before 31 October 2021	30 November 2022
Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
From 5 April 2022	Before appointment

Failure to apply for a DIN can result in an infringement notice being issued and the imposition of a civil penalty or criminal penalty or both.

Under the *Corporations Act*:

- > the maximum civil penalty is currently the greater of \$1,050,000 (5,000 penalty units) or three times the benefit derived or detriment avoided because of the contravention; and
- > as the criminal offence is of strict liability, the maximum criminal penalty is \$12,600 (60 penalty units).

If a director is unable to apply for a DIN by their required date, they can apply for an extension with the ARBS.

## Where to from here

Companies should be aware of their directors' obligations and prepare their directors to apply for a DIN within their relevant timeframe. To ensure that the application process is as smooth as possible, directors should start to collate their personal identification documents which include:

- > a tax file number (TFN);
- > the residential address that is held by the ATO; and
- > two documents that would verify the director's identity, such as bank account details, an ATO notice of assessment, super account details, a dividend statement, a Centrelink payment summary or a PAYG payment summary.

Applications also require a myGovID. Thus, if a director does not have one already, companies should encourage their directors to apply for one in preparation for submitting their application.

## CONTACT DETAILS



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