

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.

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