



7 March 2019

Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

By e-mail: economics.sen@aph.gov.au

Dear Madam/Sir

Commonwealth Registers Bill 2019 and 4 related bills

Chartered Accountants Australia and New Zealand (CAANZ) welcomes the opportunity to comment upon the Commonwealth Registers Bill 2019 and 4 related bills.

CAANZ is a strong advocate for the modernisation of Australia's business registers and we commend the government on proposing a modern registry regime that is flexible, technological and governance neutral. CAANZ also strongly supports the implementation of a director identification number (DIN).

Applying for a DIN before being appointed a director

We note that the legislation now requires individuals to apply for a DIN before they are appointed as a director. We have the following concerns relating to this provision, which were also raised in our previous submission.

Treasury released a [consultation paper](#) about Australian Business Numbers (ABNs) in July 2018. In this paper, it noted that ABNs were introduced "to provide a unique identifier for businesses to use when dealing with government, and to support the introduction and administration of the Goods and Services Tax. However, the value and meaning of an ABN within the community has expanded over time, with the ABN now considered a key business credential." The consultation paper also noted that "free and easy access to ABNs is facilitating black economy behaviour in some circumstances by lending a false perception of legitimacy to fraudulent operations." As a consequence, the consultation paper is largely focused on tightening the operation of the ABN system. The potential future use of DINs, particularly by the private sector and wider community, is unknown and the ability to apply for a DIN before appointment is likely to influence this future use. We are concerned that making a DIN available in advance of a directorship may result in the misuse of DINs and create concerns similar to those now being experienced by the ABN system. If this provision is retained, we recommend careful consideration be given as to the evidence required to support the application.

Further, we note that an individual's DIN will be automatically cancelled by the Registrar if they do not become a director within 12 months of being given a DIN. We consider the 12 month period to be arbitrary and recommend there be the ability for an individual to apply to the Registrar for an extension if the appointment process is ongoing and is likely to exceed 12 months. We also note that during those 12 months, the DIN may have been used for other purposes by the individual in their engagement with

companies and other organisations. We strongly support the allocation of a particular DIN for life to an individual, where possible, such that rather than cancelling the DIN if an appointment is not made, that instead the DIN be made inactive.

ACNC register

We note that the ACNC register is out of scope for this initial modernisation of business registers. However, we consider it important for DINs allocated to directors to also be included in the Australian Charities and Not-for-profit Commission (ACNC) register.

Who we are

CA ANZ is made up of over 120,000 diverse, talented and financially astute professionals who utilise their skills every day to make a difference for businesses the world over. Members of CA ANZ are known for professional integrity, principled judgment and financial discipline, and a forward-looking approach to business.

We focus on the education and lifelong learning of members and engage in advocacy and thought leadership in areas that impact the economy and domestic and international capital markets.

We are represented on the Board of the International Federation of Accountants and are connected globally through the 800,000-strong Global Accounting Alliance, and Chartered Accountants Worldwide, which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

Yours sincerely



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Advocacy and Professional Standing
Chartered Accountants Australia and New Zealand