



**ASIC**  
Australian Securities &  
Investments Commission

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and Investments Commission

John Price  
Commissioner



Committee Secretary  
Senate Standing Committees on Economics  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [Economics.sen@aph.gov.au](mailto:Economics.sen@aph.gov.au)

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Dear Sir/Madam

### **Inquiry on the Commonwealth Registers Bill 2019 and 4 related bills**

The Australian Securities and Investments Commission (**ASIC**) welcomes the opportunity to comment on the Commonwealth Registers Bill 2019 and 4 related bills referred to the Economics Legislation Committee on 14 February 2019.

ASIC strongly supports this package of Bills, which together lay the foundation for a government registry regime that is modern, flexible, streamlined and user-friendly. The implementation of the new regime will substantially reduce the current risk of technology failure and deliver wide-ranging benefits to all users of the registry. Further, the introduction of a director identification number (**DIN**) will assist ASIC and other regulators in their vital work of detecting, deterring and disrupting phoenixing activity.

### **ASIC's role**

ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator. ASIC currently administers over 30 registers in accordance with functions and powers conferred on it across 5 core pieces of legislation.

The ASIC registry is a critical part of Australia's economic infrastructure, acting as a vital source of information on over 5 million companies, business names, managed investment schemes, credit and financial services providers, auditors and liquidators.

Regulators, businesses and the public access and use ASIC's registry data for a wide range of purposes, including:

- checking whether a company or business name is registered and identifying the individuals associated with that company or business name;
- checking whether a provider of professional services has been appropriately licensed, or has been banned or disqualified from providing services; and
- accessing a company's financial reports and disclosure documents, to inform investment decisions.

The ASIC registry is a complex and high-volume business, handling around 123 million searches, 3 million updates and 900,000 enquiries annually.

In addition to dealing directly with stakeholders, ASIC's registry maintains relationships with over 26,000 registered company agents, 81 software developers and 21 information brokers who facilitate lodgement to, and searching of, ASIC's registers. ASIC also works with around 91 other government agencies that contribute to or use registry data.

### **Modernising the business registers**

The current technology utilised by ASIC to maintain the registers is ageing and is not adequate to meet growing future demand. Further, the statutory framework under which ASIC maintains the registers has not kept pace with developments in technology, restricting ASIC's ability to collect and publish registry data, as well as communicate with registry customers, in a modern way.

Together these constraints make it difficult to:

- support, in a timely and cost-effective manner, the development of new types of registers or registry information (including in response to domestic or international regulatory initiatives);
- readily deliver enhancements to the integrity and value of registry data; and
- meet the needs of registry customers, who expect to be able to interact with government in a digital business environment.

ASIC views the program for modernising business registers as a valuable and significant opportunity to:

- transition ASIC's business registers to a modern platform, substantially decreasing the risk of technology failure, outages and disruptions;
- streamline registry services, reducing the complexity and cost for businesses interacting with the registry; and
- enhance the quality and accessibility of registry data for the benefit of all users.

The package of Bills is an essential step in the implementation of that program.

### **Director Identification Number**

ASIC strongly supports the introduction of a DIN and other measures to both deter and penalise phoenix activity and support ASIC's regulatory activities. The DIN will interface with business registers and will allow ASIC and other regulators to identify company directors, and better map the relationships between individuals and entities, and individuals and other people

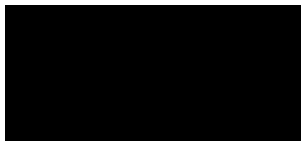
### **Implementation**

ASIC is working closely with the ATO and Treasury on a potential framework for implementation of the modernisation of business registers. An iterative approach to transition of the registers is proposed in order to minimise any potential disruption to customers.

ASIC is focused on ensuring that personal information continues to be handled in accordance with applicable privacy protections, both during and after any transition of the registers to the ATO.

ASIC welcomes the opportunity to appear at a public hearing in support of this Inquiry.

Yours faithfully



John Price  
Commissioner