



**ASIC**  
Australian Securities &  
Investments Commission

<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Inquiry into Corporate Insolvency in Australia
<b>Question No.</b>	024
<b>Date</b>	1 March 2023
<b>Topic</b>	Australian Business Registry Services
<b>Reference</b>	Spoken, 1 March 2023, Page 39
<b>Committee member</b>	Senator Deborah O'Neill

### Question

**CHAIR:** So many questions and so little time, so there will be a few on notice. We had some evidence that there was no action by ASIC to check with the ATO prior to deregistering a company. Is that correct because we know that you undertake 13 of the 14 registrations that proceed through to insolvency?

**Mr Day:** It's not the case. Obviously, the ABRS is running the register for ASIC at this time. My understanding is that the list of companies that are in what we call strike-off mode is available to the ATO so that they can see that before that occurs.

**CHAIR:** Are the ATO and ASIC talking about best practice with regard to observation of this register?

**Mr Day:** Without a doubt.

**CHAIR:** If you could take on notice some clarification for us—

**Mr Day:** We can give you some details about what happens.

**CHAIR:** about how it's operating because we've received this evidence. We also received evidence that indicated ASIC rarely if ever takes enforcement action in relation to insolvent trading. Could you give us some numbers to give us a sense of that?

**Mr Day:** We'll give you some numbers on that and take that on notice.

### Answer

The Corporate Registry (operated by Australian Business Registry Services) provide the Australian Taxation Office a daily bulk data download of company information that includes the status of all companies. From this information, the Australian Taxation Office can determine the companies that have a 'SOFF' (Strike Off Action in Progress) status (an interim company status between Registered and Deregistered where the company is in the process of being deregistered).

When the Australian Taxation Office identifies a company in SOFF status and requires the deregistration action be deferred, the Australian Taxation Office emails a dedicated email address (managed by Australian Business Registry Services) outlining reasons for the request (common reasons include proceedings have been issued/underway; company has outstanding debt or an investigation/enforcement action is in place). Australian Business Registry Services (as operators of the Corporate Register) actions such requests promptly and deregistration action is generally deferred for 180 days. The application is recorded as a Form 579 on the Companies Register and is not publicly available.