



**Australian Government**

# Modernising Business Registers and Director Identification Numbers

Frequently Asked Questions

November 2018

## 1. What has the Government announced in relation to modernising business registers?

In the 2018-19 Budget, the Government announced that Australian Securities and Investments Commission (ASIC) business registers (see Appendix A) and the Australian Business Register (ABR) will be modernised. The modernised registers will be administered by the Australian Business Registrar within the Australian Taxation Office (ATO).

Over the next few months, a detailed business case and options for registry modernisation will be developed by partner agencies for further consideration by Government in 2019. Agencies will also progress work to improve the technology, governance, user experience, data accessibility and the legislation for the business registers.

To complete this business case, partner agencies will undertake extensive consultation with the public, businesses, business intermediaries, researchers, software developers, information brokers and regulators. More information on consultation is at Question 10.

## 2. Why does the Government want to improve the existing services?

The Government wants to improve existing business registry services to make it easier for businesses to transact with government. A modernised business registry will provide the backbone for transforming the way business interacts with government, making it simpler and faster to start, and run, a business. It will also provide opportunities to foster open data and more innovative uses of business data.

The IT infrastructure underpinning the Australian government registry services is becoming outdated and needs to be modernised to meet the growing demand for these services now and into the future. A key part of this project will be to improve the infrastructure that supports these business to government interactions.

This provides an opportunity for the Government to consider how business registry services across government could be improved to better meet the needs of the public, businesses, business intermediaries, researchers, software developers, information brokers, and regulators, such as the ATO, Australian Charities and Not-for-profits Commission, Austrac, ASIC, and Australian Financial Security Authority.

## 3. Which registers are being looked at?

The Government is focused on registers operated by ASIC and the ABR hosted within the ATO. (A full list of the initial in-scope ASIC registers is at Appendix A)

## 4. What about other business registers?

The Government recognises there are other Commonwealth-level registers relevant to particular industries, as well as registers at the State and local government levels. However,

only the ASIC registers and ABR will be within the initial scope of the current process. The Government is considering options that will allow other registers to be included in the future.

## 5. What will this mean for access to business data?

The Australian Government recognises the importance of the business data contained in the ASIC registers and the ABR. Optimising access to public data, while maintaining privacy and security, can improve transparency and accountability, support evidence-based policy and provide a platform for innovation.

Making more government data available is a key commitment of the Government. Open data principles will guide investment and design decisions, ensuring that business registry data is appropriately collected, maintained, managed, and “open”, consistent with the Australian Government’s Public Data Policy Statement.

However, it is paramount that information contained in registers which is sensitive, commercially confidential, or restricted due to privacy or security, legislative, or other relevant considerations is securely stored and access is appropriately restricted.

For more information, see question 6. *How will privacy and security be protected?*

## 6. How will privacy and security be protected?

The Government understands that individuals and businesses are concerned about ensuring their data is secure and being used and stored appropriately.

Registry data is currently collected, managed and made public in alignment with relevant privacy, information security, intellectual property rights, and legal concerns. This will continue to be the case under any changes to business register technology and service delivery.

## 7. Will registration costs change?

No decision has been made on any changes to current fee structures. We are currently seeking feedback on Registry Fees and encourage stakeholders to provide submissions to inform our recommendations to government.

## 8. Will costs to search and access data be removed?

No decision has been made on any changes to current fee structures. We are currently seeking feedback on Registry Fees and encourage stakeholders to provide submissions to our inform recommendations to government.

## 9. When will changes be made?

A detailed business case is being developed over the next few months, and will inform the implementation timeframes for the registry modernisation.

Consistent with the Government's Digital Service Standard, the modernised business registry platform is expected to be delivered iteratively over time.

The Government will continue to engage with key stakeholders to understand their needs, any concerns and identify opportunities to deliver better services.

## 10. Will users of registers be consulted?

Yes. The Government will continue to consult as the detailed business case is developed.

The Government will approach key stakeholders, including industry peak bodies, business intermediaries, academics, software developers, Commonwealth and State and Territory governments, and other users of registry services, to participate in consultation and user research activities. This will cover technology, governance, user experience, data accessibility, and legislation to inform the options for modernising the business registers.

Thirty submissions were received from the previous consultation conducted by the Treasury from 9 August to 6 September 2017. The Government considered the feedback from this consultation when deciding to progress to the next detailed business case.

A discussion paper was released for consultation from 13 July to 17 August 2018 which focused on four areas: Legislation, Registry Service Enhancements, Funding Registry Infrastructure, and Director Identification Numbers (DIN). Thirty one submissions were received; all non-confidential submissions are published on the consultation webpage. These responses will inform the next business case.

See question 13 for information on legislation consultation.

Current consultation is underway on registry fees, this consultation will close on 21 December 2018.

## 11. How has the request for information progressed?

A Request for Information (RFI) was published on AusTender on 5 December 2017 (closing 15 January 2018) requesting submissions for a potential whole-of-government business registry solution.

A broad range of responses were received. After extensive evaluation the RFI was closed on 7 September 2018. A key aspect that was explored through the evaluation was the capability for a registry aware solution to manage the volume and complexity of data, records, interactions and transactions currently managed by ASIC and the ABR.

The Commonwealth appreciated the interest and participation of RFI respondents throughout this process. The RFI has provided the Commonwealth with valuable insight into the capacity and capability of the market to support the MBR program.

## 12. How will the Government progress a Director Identification Number?

The Government announced the introduction of a Director Identification Number (DIN) in September 2017, in response to the Phoenixing Taskforce.

Implementation options for the DIN will be progressed as part of the modernisation of business registers.

The DIN will enhance the integrity of company formations and acquisitions by allowing regulators to confirm the identity of company directors. The DIN, a unique identifier, will also allow the regulator to map the relationships between individuals and entities over time. This should assist the regulator in preventing or detecting future breaches of the law.

## 13. Will there be changes to the law?

Yes, changes are proposed as currently some areas of legislation are worded in an outdated way that, for example, requires hard copy documents to be used even where new technological solutions can provide a better experience for registry users.

The Government has released draft legislation to allow for the modernisation of business registers for public consultation from 1 October 2018 to 26 October 2018. Also included in the draft legislation is a legal framework for the introduction of Director Identification Numbers (DINs). The draft legislation sets out who will be required to obtain a DIN, the obligations associated with a DIN, the consequences of not meeting those obligations and how DINs will be administered. Details on specific implementation options are currently being considered and will be separately consulted on shortly.

## 14. Will the registry fees consultation include changes to the ASIC Industry Funding Model?

No, the registry fees consultation does not include the ASIC Industry Funding Model (IFM) that was introduced in June 2018. The IFM focuses on ASIC's regulatory activities by charging entities for their cost of regulation. More information on IFM can be found here: <https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/>

## Appendix A

### List of ASIC registers

1	Australian Company Register
2	Business Names Register
3	Managed Investment Scheme (MIS) Register
4	Registerable Australian Bodies Register
5	Foreign Companies Register
6	Reserved Company Names Register
7	Credit Registered Persons Register
8	Unlicensed Carried Over Instruments Lenders Register
9	Company Charges Register
10	Financial Adviser Register
11	Registered Liquidators Register
12	Registered Company Auditor Register
13	Self-Managed Superannuation Fund (SMSF) Auditor Register
14	Australian Financial Services Licensee (AFSL) Register
15	Authorised Representative Register
16	Future Licensees Register (Pre-FSR) – immutable
17	Licence holders (Pre-FSR) – immutable
18	Securities representatives (Pre-FSR) – immutable
19	General insurance brokers (Pre-FSR) – immutable
20	Future representatives (Pre-FSR) – immutable
21	Foreign insurance agents (Pre-FSR) – immutable
22	Life insurance brokers (Pre-FSR) – immutable
23	Australian Credit Licensee Register
24	Australian Credit Representative Register
25	Carbon Registrants Register
26	Trustees for Debenture Holders Register
27	Disqualified persons register
28	Credit banned/disqualified [persons] register
29	AFS banned/disqualified persons register
30	Banned securities representatives register (pre-AFS licences)
31	Banned futures representatives register (pre-AFS licences)