EXPLANATORY MEMORANDUM (EXPOSURE DRAFT)

Minute No. of 2013 – Assistant Treasurer

Subject - A New Tax System (Australian Business Number) Act 1999

A New Tax System (Australian Business Number) Regulations 1999

Section 31 of the *A New Tax System (Australian Business Number) Act 1999* (the Act) provides that the Governor-General may make regulations, inter alia, prescribing matters required or permitted by the Act to be prescribed.

Paragraph 26(3)(k) of the Act states that the regulations may prescribe details which the Registrar of the Australian Business Register (ABR) must provide to a person who requests a copy of an entity's entry in the ABR. Regulation 8 of the *A New Tax System (Australian Business Number) Regulations 1999* currently prescribes details for the purposes of paragraph 26(3)(k) of the Act.

The purpose of the proposed Regulation is to allow unregistered business names that are currently displayed on the ABR to continue to be displayed until 30 June 2014.

The ABR was established under the Act in 1999, providing a Commonwealth-based system for issuing businesses with unique identifying numbers (known as Australian Business Numbers) so that businesses can identify themselves with the Government and for commercial transactions.

On 28 May 2012, the Australian Government launched the national Business Names Register (BNR) to provide a national register of business names, complementing the identifying numbers contained in the ABR, and replacing State and Territory-based registers of business names. This initiative included a one year transitional period which allowed unregistered business names to continue to be made publicly available on the ABR until 28 May 2013, to allow time for these names to be registered on the BNR.

However, a large number of these unregistered business names are unlikely to be registered on the BNR by the end of this transitional period. These unregistered business names cannot be publicly displayed by the Registrar of the ABR after the end of the transitional period without an extension being provided.

The proposed Regulation allows unregistered business names (as they currently appear) to continue to be displayed on the ABR until 30 June 2014.

The Act does not specify any conditions that need to be satisfied before the power to make the Regulation is exercised.

The proposed Regulation would commence on the day after it is registered.

Authority: Section 31 of the A New Tax System (Australian Business Number) Act 1999

[Minister's initials]