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Tax Justice Network Australia Submission on Modernising Business Registers (MBR) Program

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The Tax Justice Network Australia (TJN-Aus) welcomes this opportunity to make a submission to the Treasury inquiry into Modernising Business Registers Program. The TJN-Aus has been very supportive of the introduction of Director Identification Numbers (DINs) but is concerned that the implementation does not make it more difficult for people to use the register to identify the people who are directors.

Concerning the exposure draft of the Corporations Director Identification Number Data Standard 2021, the TJN-Aus would prefer that the Registrar would have the power to require a person to provide their tax file number when applying for a DIN.

The TJN-Aus would prefer a more formal test for a person to establish their identity when applying for a DIN, similar to the 100-point identity test that financial institutions use when they seek to open a bank account.

It is unclear how the Registrar will ensure that criminals cannot register straw directors with stolen identities of people, if most applications for a DIN will be done electronically and may not require certified documents.

The TJN-Aus is deeply concerned the exposure drafts will remove access to the date of birth, place of birth and address of directors. In our experience, there can be multiple people with the same name on the business registry. So when trying to identify a particular individual, it will become more problematic as it will not be possible to know from DINs which individual with the same name the DIN applies. When we have conducted investigations into stolen assets and proceeds of crime being shifted into Australia, access to dates of birth, places of birth, and residential addresses have allowed us to know which corporate entities the person in question are likely to be the director. Under the new regime, it appears a search on a name may result in several individuals being returned with the same name and different DINs, but with no way to verify which of them is a person of interest. The reduction in identity information being made public is likely to make due diligence checks required by reporting entities under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* more difficult.

The TJN-Aus supports that Director Identification Number information can be disclosed to PGPA bodies, courts, and tribunals as outline in the exposure draft. At the same time, we continue to believe that date of birth, place of birth, and directors' addresses should be publicly available as they are now.

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Background on the Tax Justice Network Australia

The Tax Justice Network Australia (TJN-Aus) is the Australian branch of the Tax Justice Network (TJN) and the Global Alliance for Tax Justice. TJN is an independent organisation launched in the British Houses of Parliament in March 2003. It is dedicated to high-level research, analysis and advocacy in the field of tax and regulation. TJN works to map, analyse and explain the role of taxation and the harmful impacts of tax evasion, tax avoidance, tax competition and tax havens. TJN's objective is to encourage reform at the global and national levels.

The Tax Justice Network aims to:

- (a) promote sustainable finance for development;
- (b) promote international co-operation on tax regulation and tax-related crimes;
- (c) oppose tax havens;
- (d) promote progressive and equitable taxation;
- (e) promote corporate responsibility and accountability; and
- (f) promote tax compliance and a culture of responsibility.

In Australia, the current members of TJN-Aus are:

- ActionAid Australia
- Aid/Watch
- Anglican Overseas Aid
- Australian Council for International Development (ACFID)
- Australian Council of Social Service (ACOSS)
- Australian Council of Trade Unions (ACTU)
- Australian Education Union
- Australian Manufacturing Workers Union
- Australian Nursing & Midwifery Federation
- Australian Services Union
- Australian Workers Union, Victorian Branch
- Baptist World Aid
- Caritas Australia
- Community and Public Service Union
- Electrical Trades Union, Victorian Branch
- Evatt Foundation
- Friends of the Earth
- GetUp!
- Greenpeace Australia Pacific
- International Transport Workers Federation
- Jubilee Australia
- Maritime Union of Australia
- National Tertiary Education Union
- New South Wales Nurses and Midwives' Association
- Oaktree Foundation
- Oxfam Australia
- Save the Children Australia
- Save Our Schools
- SEARCH Foundation
- SJ around the Bay
- Social Policy Connections
- TEAR Australia
- The Australia Institute
- Union Aid Abroad – APHEDA
- UnitedVoice

- Uniting Church in Australia, Synod of Victoria and Tasmania
- UnitingWorld
- Victorian Trades Hall Council
- World Vision Australia