

Modernising Registry Fees (December 2021)

BGL Corporate Solutions Pty Ltd / Warren Renden

wrenden@bglcorp.com.au

January 28, 2022

Discussion document - <https://treasury.gov.au/sites/default/files/2021-12/c2021-232409-dp.pdf>

Search Fees

1 - Are you supportive of a further reduction or removal of digital search fees?

Reducing or eliminating the digital search fees for company information is supported by us, it will allow for greater transparency, and mirrors the positions taken by the New Zealand Companies Office, and the UK Companies House.

The positives of removing search fees are significant. As a DSP for example, we can automatically search the banned and disqualified registers prior to an appointment being made, therefore blocking it at the source.

Many other examples could be provided, where essentially the accuracy of data that is being reported to the regulator will go up, as DSPs have more ways of ensuring that information is correct. This will result in fewer errors, fewer correction requests and fewer calls to the help desk.

Infrastructure fees

2. Which types of users (or use-cases) should be charged an infrastructure fee? Are there any users (or use-cases) that should be exempt?

The MBR project has caused significant costs to all users of the registry services. As a software developer, we have implemented a number of features for Director ID, and for the new Company Register, significant work is going to be required. This work will cost DSPs millions of dollars. All to do essentially, what can be done now with the ASIC system. While there might be some incremental improvements, this is the scenario.

The scenario will automatically remove a number of players in the industry, as they simply won't be able to afford this. The remaining DSPs are doing this as a long term investment, with the view that a return on this investment will be earned over time, as it won't be immediate.

Therefore, we believe it would be completely unreasonable to charge an infrastructure fee to access MBR APIs and test systems.

This is also inconsistent with regulators worldwide who do not charge such fees.

We do not believe there is any basis for the introduction of such fees and if any fees were to be introduced they would be passed onto ASIC agents and therefore companies. This is against one of the main goals of the MBR which is to reduce the costs for Businesses.

3. If a connection fee is to be introduced, which is preferable: a larger one-off onboarding fee, or a smaller ongoing subscription fee?

As mentioned above, we do not support any infrastructure fees in any form. The costs associated with completing the required work to have a commercially viable product are significant, and will alone deter all but a few players.

4. If a usage charge is to be introduced how should it be set (e.g. per company, attribute, unit of measurement (e.g. by API call))?

As mentioned above, we do not support an infrastructure fee in any form, the costs associated with completing the required work to have a commercially viable product are significant, and will alone deter all but a few players.

The ATO should be aware that any new fees it charges will be passed onto ASIC agents and companies. This is against one of the main goals of the MBR which is to reduce the costs for Businesses.

Late Fees

5. Would you support a simplified late fee regime, comprised of a fee for the late provision of information and a fee for late payment?

A simplified late fee program would be supported, in the current system, it can be difficult to determine what the late fee will be, as there are many different variables, including the companies' own annual review date.

6. If so, how should this be designed to ensure the information held on the registers is current and accurate?

A simplified late fee system should be designed, where all late fees are applied on a date basis only, and the company annual review date should be ignored.

A fee system based on how late the lodgement is, i.e 0-28, 28-60, 60-120, 120-180, 180+ etc, would be preferred. This would be predictable and also penalise non-compliance in an escalating way.

Lifecycle Fees

7. Are there any lifecycle fees that you believe are inefficient or counterproductive and should be specifically removed? Are there any that should be retained?

Our view is that the application to change the review date should no longer have a fee. Also, the fee to change the state or territory of registration of a company should be removed.

8. Are you supportive of the rationalisation of lifecycle fees into tiered cost levels? If this change were adopted how many tiers should there be?

In general yes, a simpler fee structure would be supported.