

Director Identification Number (DIN) for charities and not-for-profits

Overview

The Treasury Laws Amendment (Registries Modernisation and other measures) Act 2020 was enacted on 12 June 2020. Its primary purpose is to prevent illegal phoenixing of companies, penalise directors' involvement in illegal phoenixing and promote and improve the integrity of corporate data.

It will allow regulators and advisors to obtain a more complete picture of a director's corporate history and every company of which that director has been a part. Further, it will give a clearer view of whether companies have participated in related party transactions, and whether directors have had conflicts of interest.

The scheme is also meant to protect the privacy of directors by allowing them to be identified on public registers without disclosing, dates of birth, full names and residential addresses, etc.

Legislation considered

- The Treasury Laws Amendment (Registries Modernisation and other measures) Act 2020 ("**DIN Act**");
- *Corporations Act 2001* (Cth) ("**Corporations Act**");
- *Corporations Act (Aboriginal and Torres Strait Islander Act 2006)* (Cth) ("**CATSI Act**");
- *Legal entities under the Australian Charities and Not-for-profits Commission Act 2012* (Cth) ("**ACNC Act**");
- *Associations Incorporation Act 2009* (NSW) ("**Incorporations Act**");

Who needs a DIN?

The DIN requirements apply to not-for-profits that are any of the following:

- Public companies limited by guarantee under the **Corporations Act**, or
- Legal entities under the **CATSI Act**, or
- Legal entities under the **ACNC Act**.

Directors of unincorporated associations, incorporated associations and cooperatives

Directors of incorporated associations, Unincorporated association and cooperatives established under state legislation such as the *Incorporation Act* **do not need a DIN.**

A limited exception to this requirement is directors of incorporated associations that have an Australian Registered Body Number (ARBN).

Directors of an incorporated association with an ARBN are required to obtain a DIN even if they are not ACNC registered.

New directors need to act promptly

New Directors appointed between **1 November 2021 and 4 April 2022** to a *Corporations Act* entity (including an entity regulated by the *ACNC Act*) must apply for a DIN within 28 days of being appointed as a Director.

For example, if you have never been a director before (in any sector) and you are appointed to the board of a charity on 27 November 2021, and the charity is listed on the ACNC register, then you must apply for a DIN within 28 days following that appointment.

Existing Directors

Existing Directors appointed on or before 31 October 2021 have until **30 November 2022 to apply.**

Date you become a Director	Date you must apply
On or before 31 October 2021	By 30 November 2022
Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
From 5 April 2022	Before appointment

How to apply

The application process:

- Step 1 – Get your MyGovID. You can, and are encouraged to, start this process ahead of 1 November 2021.

- Step 2 – Complete proof of record of ownership via the ABRS website from 1 November 2021. This process involves verifying your identity.
- Step 3 – Fill out the Director ID application form. This simple form will also be available on the ABRS website from 1 November 2021.

Directors can apply for an extension

If you can't apply by the relevant date you must apply for an extension. Information on how you can do this is available on the ABRS website from 1 November.

Penalties and compliance approach

Failing to register for a Director ID when required carries significant potential penalties of up to \$1,050,000.

When will you need to use your Director ID?

You will need to provide your Director ID to the corporation's record-holder, which can be the company secretary, another director or an authorised agent of the company.

Directors must also inform the Registrar of any changes to the information attached to their DIN.

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