

# ATO ditches November ID deadline for resigned directors

## REGULATION

*Draft legislation narrows the scope of the number scheme following criticism that it cast the net too wide.*

By [Philip King](#), [Miranda Brownlee](#) • 16 November 2022 • 4 minute read

Directors who have resigned prior to 1 December will no longer be required to obtain an ID number by November 30 under prospective tweaks to the rules issued by the ATO yesterday.

ABRS 2022/D1 sets out changes to the “eligible officer” rules that previously required anyone who was a director immediately prior to 4 April 2021 (when the rule was introduced), or who became a director between then and 31 October 2021, to obtain an ID number by the end of this month.

Anyone becoming a director after 31 October 2021 was obliged to get an ID number first, so the November 30 deadline did not apply.

The draft legislation now excludes anyone who was a director prior to 31 October 2021 but who resigned on or before the 30 November deadline.

The changes appear to respond to critics of the director ID number scheme who said it cast its net too wide.

These included directors who would have been required to comply despite no longer acting in the role of a company officer, nor holding any intention to do in future.

The explanatory statement accompanying the draft says:

*“The classes of persons who are determined not to be eligible officers are:*

1. *a) under the Corporations Act;*
2. *persons who were eligible officers immediately before 4 April 2021, but never hold a role of 'director, or alternate director when acting in that capacity' (director) after 30 November 2022;*
3. *persons who were not eligible officers immediately before 4 April 2021, but became eligible officers between 4 April 2021 and 31 October 2021, and never hold a role of director after 30 November 2022;*

4. *persons who are not natural persons;*
5. *b) Under the Corporations Act, for the period 4 April 2021 to 30 November 2022:*
6. *persons who were eligible officers immediately before 4 April 2021, but ceased to hold a role of director prior to 1 December 2022;*
7. *persons who were not eligible officers immediately before 4 April 2021, but became eligible officers between 4 April 2021 and 31 October 2021, and ceased to hold a role of director prior to 1 December 2022."*

CPA Australia's senior manager of tax policy Elinor Kasapidis welcomed the ATO draft.

"CPA Australia has raised concerns about the director ID requirements being imposed on resigned directors. We are glad that the Commissioner has responded and reached a practical solution for this particular circumstance," she said.

"As with all new programs, this type of responsive approach to director ID and Modernising Business Registers is important to minimise unnecessary disruption, streamline processes and find practical outcomes."

The director ID scheme is part of the Modernising Business Registers program, which is designed to draw together multiple company databases into a single digital resource.

The draft, which is unlikely to become law prior to its intended commencement on 1 December, acknowledges the need for it to be retrospective.

Smarter SMSF chief executive Aaron Dunn said the changes relieved a burden from some directors of corporate trustees for SMSFs, but others who had already gone through the director ID process might be frustrated now that it was not required.

"The reality is though, that it's better late than never," he said.