

ATO will take softly-softly approach to policing director IDs

REGULATION

The Registrar says it will reserve most enforcement action relating to director IDs for more egregious cases of non-compliance.

By [Miranda Brownlee](#) • 18 November 2022 • 4 minute read

The ATO will take a softly-softly approach to policing director IDs and save its compliance big guns for the worst offenders, the office has told Accountants Daily sister publication SMSF Adviser.

With just two weeks to the 30 November deadline for directors to apply for a number, the ATO responded to questions about how Australian Business Registry Services (ABRS) would deal with those who miss the deadline.

“[The] registrar will take a reasonable approach when enforcing the director ID obligations, reserving most enforcement actions for more egregious cases of non-compliance,” the ATO said.

Directors who were unable to meet the transitional timeframe to apply could request an extension of time via a form available on abrs.gov.au.

Figures supplied by the ATO last month showed hundreds of thousands of directors – including many who were directors of corporate SMSF trustees – had yet to go through the mandatory process of acquiring a number.

The ATO said anyone experiencing difficulty applying online had more traditional options available.

“ABRS recognises that that some directors may have difficulty applying for their director ID through the digital application process,” the ATO said. “These directors are being supported with the option to apply over the phone or by paper.”

Paper applications would need to be supported by certified identity documents, the ATO explained.

“Applicants applying over the phone will need their identity documents with them during the call to be verified over the phone and will need to answer some questions based on details the ATO knows about them,” it said.

If directors were unable to apply through any of the digital, phone or paper channels, the ATO advised them to contact ABRS directly to discuss their situation further.

Earlier this week, the Registrar released a draft legislative instrument to exclude persons who have ceased to hold any role as a “director or alternate director acting in that capacity” prior to 1 December 2022 from the obligation to apply for the ID.

“Whilst this legislative instrument remains draft and is subject to final determination, directors who have recently resigned from their director roles are not expected to apply for a director ID,” the ATO said.

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 applied), 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 does 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.