

# Almost 800k directors could miss ID deadline

## REGULATION

*Latest figures suggest almost one-third of company directors will fail to apply by the November 30 cutoff.*

By [Keonia Swift, Miranda Brownlee](#) • 24 November 2022 • 4 minute read

Almost 800,000 directors will miss the November 30 deadline to apply for an ID number with just 1.5 million out of the 2.5 million eligible in the system, according to figures supplied by the ATO this week.

The office said November 21 had seen a record 28,426 applications but in the absence of a last-minute rush, sustaining that level would only see another 230,000 sign up, leaving 770,000 — 31 per cent — yet to complete the process.

The ATO and Australian Business Registry Services (ABRS) said their most recent information campaign had been a success, with a surge of applications since October.

However, Accountants Daily understands that the ABRS has started to mail out paper forms to directors in the past two weeks as a prompt to apply, despite relying heavily on the online process initially.

The ATO said the vast majority of directors had applied online and only 45,000, around 3 per cent, had used the paper form. It is understood a paper application can take up to 56 days to process.

Accountants Daily sister brand SMSF Adviser said the overall picture was replicated among corporate SMSF trustees, with 230,000 SMSF directors — 33 per cent — still to apply from a total of 690,000.

An ATO spokesperson said its “broad awareness campaign” had resulted in “strong application numbers, which are trending up as we move closer to the deadline”.

“Around a third of all applications have been received since the beginning of the awareness campaign in October,” the ATO said. “As of Tuesday 22 November, over 1.5 million directors have applied for their director ID.”

ABRS deputy registrar Karen Foat said this week's application numbers were encouraging but some people might still be unaware the system applied to them.

"Some people might not actually realise they are a director of a company. You don't have to wear a suit or work in an office to be considered a director," she said.

"If you run a small business, self-managed super fund, a not-for-profit or even a large sporting club, you may be a director, which means you'll need a director ID.

"There's a common myth floating around that if you've got a registered tax agent, they can just apply for a director ID on your behalf, but that's not true."

"All company directors must apply for it themselves, as they are required to verify their identity themselves. This robust identification process will help prevent the use of false and fraudulent director identities."

Once issued, the director ID would need to be given to the company's recordkeeper for safekeeping — this might be the company secretary, another director, or authorised agent.

The ID number is administered by the ABRS, which is managed by the ATO.

Ms Foat said that by obtaining a director ID, directors were helping to create a fairer playing field for honest businesses.

"Director ID helps the government to take action against illegal activity, for example a practice called phoenix activity. This is really dodgy behaviour and it's where business owners illegally shut down their company and transfer assets into a new company to avoid paying what they owe to employees and suppliers."

The government has said that directors who have reasonable grounds for missing the application deadline owing to their personal circumstances can seek an extension of time to apply.

But Ms Foat reminded that missing the 30 November deadline could involve a maximum criminal penalty of \$13,200, or up to \$1,100,000 under civil law.

"Whilst penalties can apply, the community can expect we will take a reasonable approach to support people to apply, particularly where directors have been impacted by circumstances like natural disasters," she said.