



Director ID

What the new requirements mean for your SMSF

Up to 63% of SMSFs will be impacted by new identification requirements for directors. If your SMSF has a corporate trustee, the director must go through a new registration process. Here's what you need to know so you can be prepared, including details on the application process.

The Introduction of Director Identification Numbers

In March 2021, Treasury released a consultation paper regarding the Modernising Business Registers (MBR) Program which recommended that the Australian Business Register (ABR) and 31 business registers administered by the Australian Securities and Investments Commission (ASIC) be rolled into a single platform.

The MBR Program consequently sees the introduction of a Director Identification Number (DIN) – a single, unique identifier for the individual director of a business or, a corporate trustee. The introduction of a Director ID aims to make it easier to track directors and their corporate history and prevent the creation of fictitious identities.

By centralising this data, the program also aims to:

- Encourage good Corporate Governance,
- Improve data integrity and security,
- Reduce the time and cost for administrators and liquidators,
- Provide one central system for insolvency information,
- Reduce phoenixing and its financial impact up on the Australian economy.



The new, united platform will be administered by the Commonwealth Registrar as a separate function to the Australian Tax Office (ATO).

How Does the Directors ID Impact SMSF Members?

The implementation of DIN will become an important part of the SMSF landscape as new processes will shape internal procedures for practitioners and create additional considerations for clients and trustee structures.

With the new director ID coming into effect on 12 June 2022, current Australian directors or corporate trustees in an SMSF have one year to apply for their unique DIN before fines of over \$1.1 million kick in for non-compliance.

How to Apply for a Director ID

From the 1st of November 2021, directors will need to verify their identity as part of the new Director ID requirement and apply for a DIN via the new Australian Business Registry Services (ABRS) website.

To apply for a DIN, directors need to:

1. You will need a myGovID to apply for your director ID online – and if you haven't already, you can set up your myGovID now.
2. Gather relevant documents such as your tax file number, residential address as held by ATO.
3. Provide two documents to verify your identity (e.g. bank account details, ATO notice of assessment, super account details, a dividend statement, a Centrelink payment summary, a PAYG payment summary).

Once your identity has been confirmed, you will be issued with a single DIN which be kept permanently – even if you cease being a director, change directorships, or act as a director for multiple organisations.

What is the transition period and when you need to register for a DIN?

DATE OF DIRECTOR ESTABLISHMENT	DATE DIN APPLICATION TO BE MADE
On or before Oct 31, 2021	By 30 Nov, 2022
Between Nov 1 2021 – Apr 4 2022	Within 28 days of appointment
On or after Apr 5 2022	Prior to director appointment

Need more information?

Visit: [Australian Business Registry Services \(ABRS\) website](https://www.abrs.gov.au)