



DIGITAL SERVICE PROVIDERS



INTERMEDIARIES & INDUSTRY  
PROFESSIONALS



BUSINESSES & OTHER ENTITIES

# Notes

## DWG focus group: director ID

Friday 5 March 2021

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# Summary

**A DWG focus group session on director ID was held on 5 March 2021**

## Participants

Chris Denney, ABSIA  
Erin Adams, Xero  
John McCarthy, Pitcher Partners  
Matthew Addison, ICB  
Matthew Prouse, Xero  
Warren Renden, BGL  
Ramya Balasubramanian, MYOB

Representatives from:

- Treasury
- ASIC
- MBR program.

## Purpose

- Discuss and agree our problem statement, user stories and constraints.
- Generate options for meeting user needs.
- Select the best options for solving our problem statement.
- Agree next steps including key messages for the next Design Working Group (DWG).

## Outcomes

Confirmed key constraints and assumptions.

Agreed a problem statement and some user stories.

Agreed there is a significant amount of work that needs to be done urgently if DSPs are to be in a position to build anything to support the onboarding of directors.

## Next steps

Confirm problem statement and user stories with the broader DWG.

Schedule fortnightly focus group sessions to continue work.

# Context

## Intent

Director ID is being introduced to help combat illegal phoenix activity

A person needs to prove their identity to get a director ID.

This will remove fictitious directors from the register, improve data integrity and help regulators to detect and deal with illegal phoenix activity earlier.

When the ASIC companies register is transitioned to the new registry platform, director ID will be used to associate directors with companies.

## Director ID features

A director ID is a unique number given to an existing or intending director who has verified their identity with the Registrar.

A person needs to apply for their own director ID. No one can apply for them.

A director ID is issued to a person for life. A person will keep their director ID even if they stop being a director.

Director IDs:

- will not be private numbers like TFNs
- will be non-public during the transition period.

Subject to consultation and decisions by government director IDs may:

- be publicly searchable
- enable less personal information about a director to be published on the register.

## Constraints

An API for apply for director ID will not be available. Given the intent of director ID, the Registrar will retain sole responsibility for verifying the identity of individuals who apply for a director ID.

This is consistent with existing patterns e.g. apply for a TFN.

**The MBR program is committed to working with DSPs and recognises the important role DSPs and intermediaries will play to onboard people to director ID.**

# Problem statement and user stories

Every person who is or intends to be a director needs to apply for a director ID themselves using myGovID

## As an individual I want to know...

If and when I need to get a director ID

How I get a director ID

What to do with my director ID

## As an agent or company secretary I want to...

Identify who needs a director ID

Inform them that they need a director ID

Help them get a director ID

Know if they have or haven't got a director ID

*has director ID*

Know that the director ID is a valid number that belongs to them

*doesn't have one*

Remind them to get a director ID

# Users – individuals

A person needs a director ID if they are a director of a:

- body corporate registered under the *Corporations Act 2001*, or
- corporation registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

‘Director’ includes an alternate director who is acting in that capacity.

Most directors will be directors of small private companies and many of which will be closely held entities.



What is the spread of companies by number of directors?

What proportion of companies are closely held?

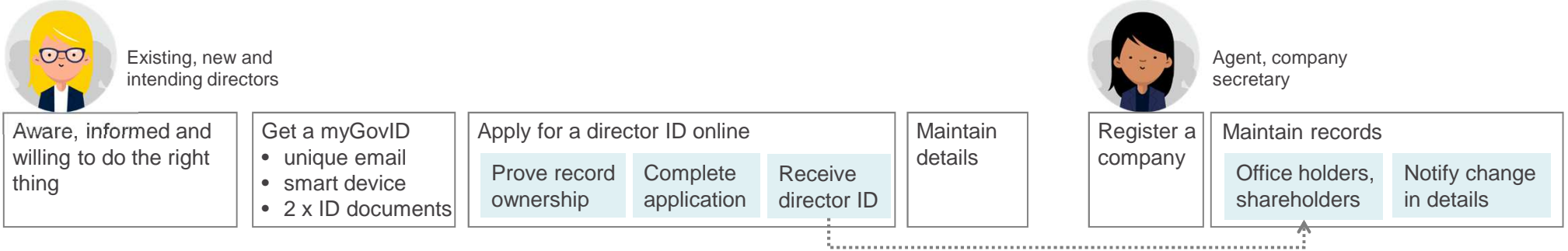
A person needs a myGovID to apply for a director ID online.

Key user segments are those who don’t have a myGovID and those who do (likely to be in business and interacting digitally).

|   | Don't have myGovID  | Have a myGovID  |
|---|---|---|
| <b>Existing directors</b><br>Around 2.7 million | <p><b>Around 2 million</b></p> <p>Have identity documents to get a myGovID</p> <p>Need to:</p> <ul style="list-style-type: none"> <li>• get a myGovID</li> <li>• apply for director ID</li> </ul> | <p><b>Around 350k</b></p> <p>Use govt online services</p> <p>Just need to apply for a director ID</p> |
| <b>New directors</b><br>Around 200k a year      |   |   |



# User pathway



## Products

|  |                |  |                                      |
|--|----------------|--|--------------------------------------|
| Coms/key messages<br>Guidance material | myGovID.gov.au | New registry website and online services | Company and SMSF compliance software |
|--|----------------|--|--------------------------------------|

## Key comments

|   |  |   |   |
|---|--|---|---|
| <p>Most people won't want to do this. They are used to their agent doing their company admin for them.</p> <p>Agents will play a key role in encouraging people to apply for their director ID.</p> | <p>People with family email address will need to get a personal email.</p> <p>⚠️ TDIF is like the UK exchange model. Will people need to rush out and get a digital ID from each provider?</p> | <p>We should design for the majority using the digital first principle.</p> <p>Registrar will need to manage the minority who need to use non-digital channels.</p> <p>Little if any value in using myGov as a channel – messages just sit in inbox.</p> <p>An individual will only have one identity record in the register.</p> | <p>⚠️ Will agents be able to maintain details on behalf of the director?</p> <p>We want to maximise the number of director IDs stored in third party software so valid director IDs are available when the companies register is transitioned to the new platform.</p> <p>Directors are unlikely to know what software their agent uses. Only a very small number of directors are likely to be direct users of third party compliance software.</p> <p>Only some companies have a secretary.</p> |
|---|--|---|---|

# Transition and cancelled director IDs

## Transitional arrangements

Existing directors – transition period will be set by the minister.

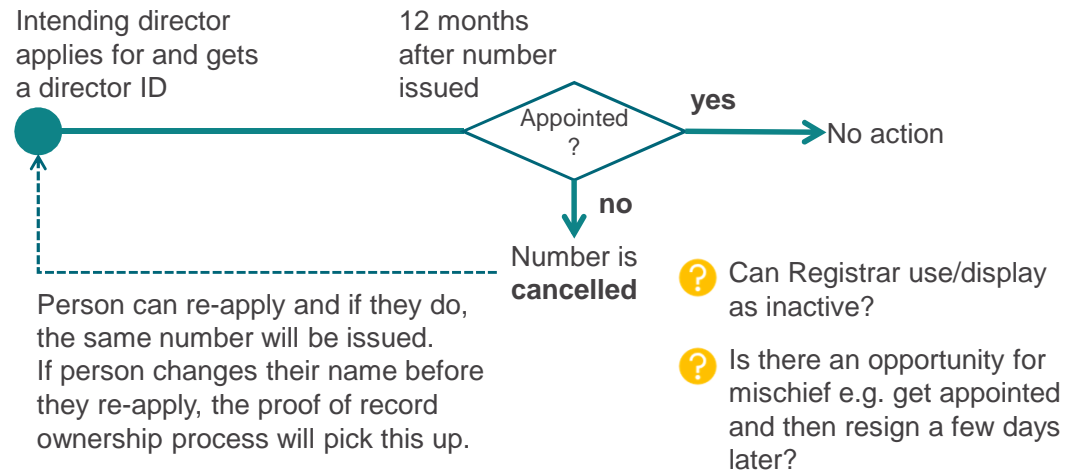
New directors:

- for the first 12 months, must apply for a director ID within 28 days of being appointed a director
- after that, must apply before being appointed.

- ? If a director doesn't get a director ID how would an agent know if the person was using a fictitious identity?
- ? How will fictitious directors be removed when the existing register is transitioned to the new platform?

## Intending directors

A person who intends to become a director may apply for a director ID up to 12 months before they are appointed a director.



Cancelled means something different in software. DSPs will need to find a way to manage this and any instances of name records being different. Design team is looking at including reason codes for a cancelled status. This will be helpful for DSPs.