



DIGITAL SERVICE PROVIDERS



INTERMEDIARIES & INDUSTRY
PROFESSIONALS



BUSINESSES & OTHER ENTITIES

Notes

DWG focus group: director ID

Tuesday 31 March 2021

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Summary

A DWG focus group session on director ID was held on 31 March 2021

Participants

Andrew Smith, MYOB
Chris Denney, ABSIA
Erin Adams, Xero
Richard Atkinson, Illion
John McCarthy, Pitcher Partners
Warren Renden, BGL
Ramya Balasubramanian, MYOB

Representatives from:

- Treasury
- ASIC
- MBR program.

Purpose

- Continue to 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.

Outcomes

Agreed the problem statement and user stories.

Talked about options.

Agreed next step is for MBR program to clarify/confirm what is feasible to do.

Thank you to Warren Renden and John McCarthy for participating in the session held on 17 March to generate options.



Next steps

Tammy Gardner to progress work within MBR program to clarify/confirm feasibility of options generated.

Report back to DWG on 13 April 2021.

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

<p>As an agent or company secretary I want to...</p>	<p>Identify who needs a director ID</p>	<p>Inform them they need a director ID</p>	<p>Help them get a director ID</p>	<p>Know if they have or haven't applied for a director ID</p>	<p>Store a valid director ID that belongs to the director in my software</p>
<p>Ideas</p>	<p>A bulk RA71 to make it easier for agents to use current ASIC register data to identify who needs a director ID.</p> <p> Is it possible to enable a bulk RA71 request with just officer details for all the companies the agent looks after?</p>	<p>Communication material:</p> <ul style="list-style-type: none"> government branded material on requirement to have a director ID (what and why) white label messaging (how including myGovID and info to have at hand) 	<p>Send directors an email with information on what, why and how of director ID and a link to the online service to apply.</p> <p> Is it possible to use a unique link? Would a unique link need an agent identifier?</p>	<p>A way to track if the director has applied e.g. unique link has been used and if it has, the result (i.e. pass or fail) and if fail, the reason (e.g. failed to establish identity at proof of record ownership step).</p>	<p>A smart way to put the number in the software, want to avoid someone having to key it in.</p> <p>A way to verify that the director ID is valid and belongs to this person (name, address, DOB, place of birth).</p> <p>A way to resolve mismatches.</p>
<p>Current state</p>	<p>Agents can identify directors. Agents and others can lodge changes with ASIC, data in software may not match ASIC.</p> <p>Agents can lodge a RA71 Request Electronic Data Download to compare ASIC register with details held in their software, limit of 100 companies a request.</p>	<p>Director's contact details, including email address, are stored in software.</p> <p>Note: DSP doesn't communicate directly with the company or director. DSP provides agent with the tool/software they use.</p>	<p>It's not possible to use a deep link to the director ID application service – any link would go to the webpage.</p>	<p>Applicants will self-assess eligibility for a director ID. Eligibility rules such not being disqualified or bankrupt will be managed after the director ID is issued.</p>	<p>A person may have been appointed as a director using a different name to the one they use to get their myGovID.</p> <p>Director ID application is pre-filled with myGovID details.</p>

Bulk RA71 idea

There are multiple sources of updates to companies register.

Data held in agent's software can get out of sync with companies register.

The existing RA71 request enables agents to compare data held in software with the companies register:

- there is a limit of 100 companies for each request
- only returns data for companies that the agent is registered for (uses corporate key).

A company can only have one registered agent in ASIC system.

A bulk RA71 request would make it easier for agents to verify who the directors of a company are at the point in time when the agent is ready to issue an email to encourage directors to apply.

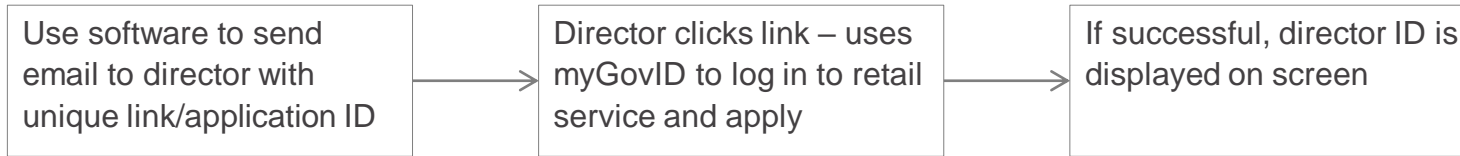
The service could return the same or less data i.e. current officers x company would suffice.

It was noted that any changes to the existing ASIC systems is unlikely to be feasible.

Next step

Tammy to talk with ASIC about the feasibility of a bulk RA71.

Unique link idea

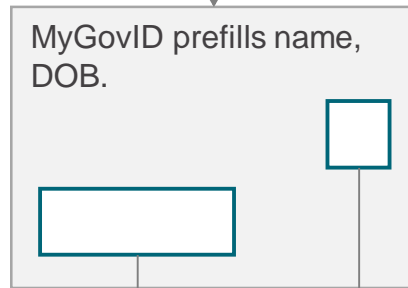


Unique link could be generated by software or MBR could provide a list of numbers for agent to use to provide the connection back to the agent.



Would a reference number that is linked back to the agent be enough to enable a disclosure?

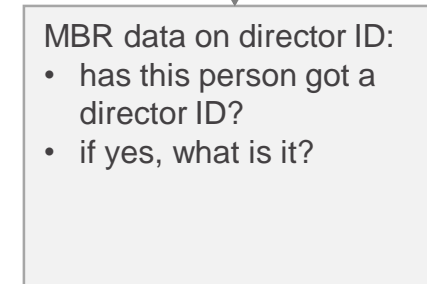
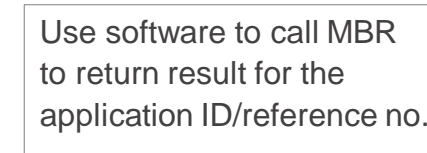
What if user enters the application ID/reference number in their application?
This could be done fairly easily.



We have user tested a consent model for sharing director ID – hard to explain but people tended to tick.



How would agent know person tried to apply but was unsuccessful and reason why?



MBR authorisation model is not in place yet. How would MBR know agent is an agent of the company?

There are existing agent agreements in place between the company and the agent. ASIC uses these arrangements and the corporate key to authenticate service requests now.

Closing comments

Context

Agents are key point of leverage for success of MBR program including onboarding directors.

One agent looking after 250 companies can reach 500-600 directors.

Agents will need to be able to act for company for Tranche 2. Need to resolve legal framework for agents acting on behalf of companies now.

Next steps

Tammy Gardner to progress work within MBR program to clarify/confirm feasibility of options generated from a legal, system and DCIS perspective:

- bulk RA71 (with ASIC)
- double blind exchange constraint
- unique link with application ID/reference number
- call to MBR – has person applied for a director ID and if so, what was the result?

Report back to DWG on 13 April 2021.

Appendix 1 Design question log

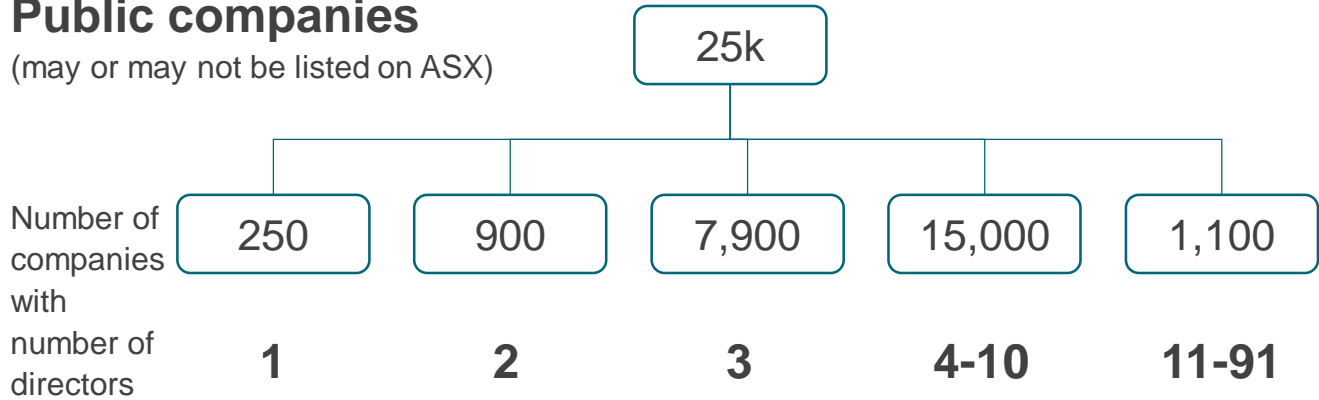
Date	Question	Status/response
5 Mar	What is the spread of companies by number of directors? What proportion of companies are closely held?	See Appendix 2 for readily available data.
5 Mar	TDIF is like the UK exchange model. Will people need to rush out and get a digital ID from each provider?	DTA is aware of the situation. ABSIA has asked DTA to discuss with the ATO.
5 Mar	Will agents be able to maintain details on behalf of the director? Messaging for director ID includes “maintain your details and tell ASIC”. Should be implementing “tell us once” and enabling people to appoint an agent when they apply for their director ID.	Currently working through the legal framework. Design timeline to be tabled at next BAG meeting – includes intermediary experience and individual registry record.
5 Mar	If an intending director’s ID is cancelled because they have not been appointed as a director within 12 months, can register use/display status as inactive rather than cancelled?	Design team is looking at including reason codes for cancelled status.
5 Mar	Is there an opportunity for an intending director to get a director ID, get appointed as a director and then resign a few days later so they can keep their director ID?	Yes. When the person is appointed as a company director the 12 month rule ceases to apply and the person will keep their director ID forever. Note: Having a director ID only indicates the person has established their identity with the registrar.
5 Mar	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?	Tranche 2 Design work is in progress on data migration and associating directors with companies.
17 Mar	If the registrar refuses to give someone a director ID, what’s the process after that?	Support will be available for people who do not successfully complete an application. If a person is not satisfied with the Registrar’s decision, they can request a review of the decision.

Date	Question	Status/response
24 Mar	Is it possible to enable a bulk RA71 request with just officer details for all the companies the agent looks after?	
24 Mar	When an agent sends an email to a director with a link to apply for a director, is it possible to use a unique link? Would a unique link need an agent identifier?	
31 Mar	Would a reference number that is linked back to the agent be enough to enable a disclosure?	
31 Mar	How would agent know person tried to apply but was unsuccessful and reason why?	
31 Mar	MBR authorisation model is not in place yet. How would MBR know agent is an agent of the company?	

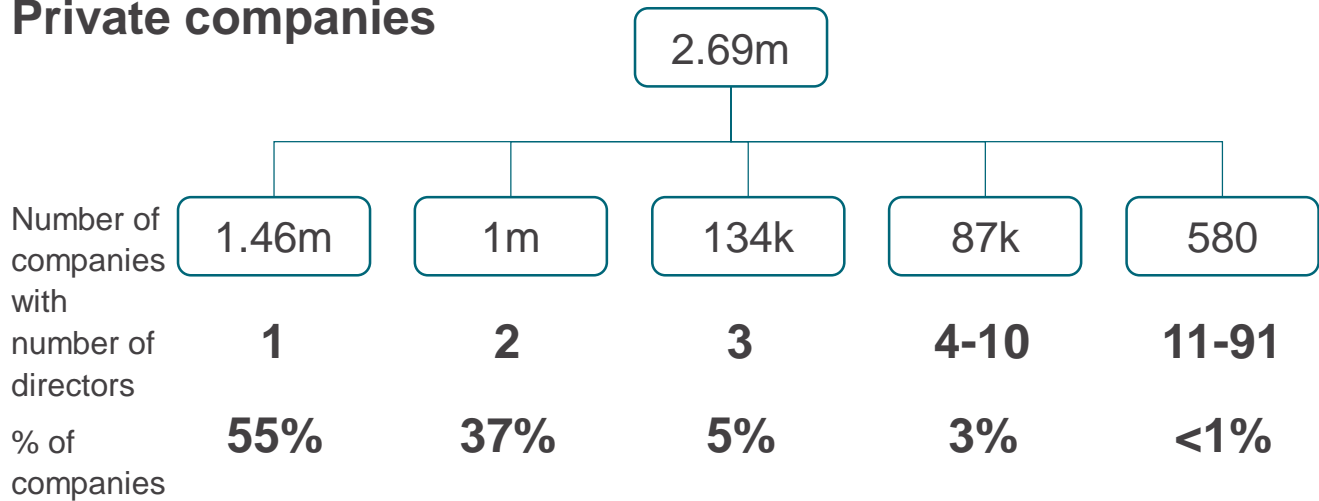
Appendix 2 Companies and directors

Public companies

(may or may not be listed on ASX)



Private companies



Source: ASIC data valid as at 22 August 2019

Count of directorships	Number of people with this many directorships	% of director population
1	2,004,221	73.0
2	449,252	16.0
3	146,482	5.0
4	62,981	2.0
5	31,851	1.0
6	18,087	1.0
7	11,258	0.4
8	7,649	0.3
9	5,204	0.2
10	3,773	0.1
11 plus	17,048	0.6

Source: ASIC data valid as at 20 September 2019