



KPMG, 2019

Modernisation of business registers

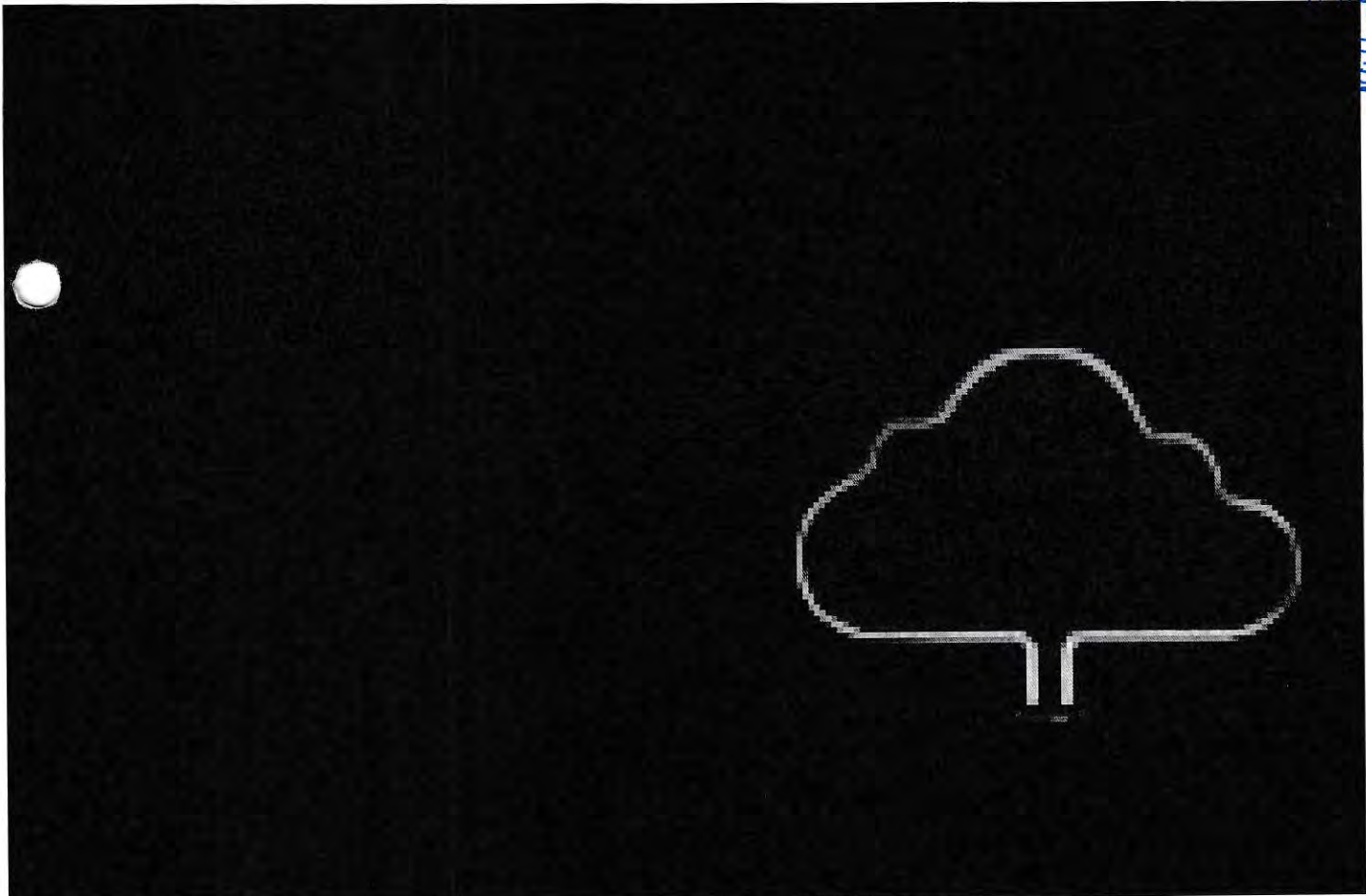
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The Government has introduced the Modernising Business Registers program, focused on introducing a streamlined single platform registry service. Under the New Regime it is also proposed that Director Identification Numbers (DINs) be introduced.

David Morris
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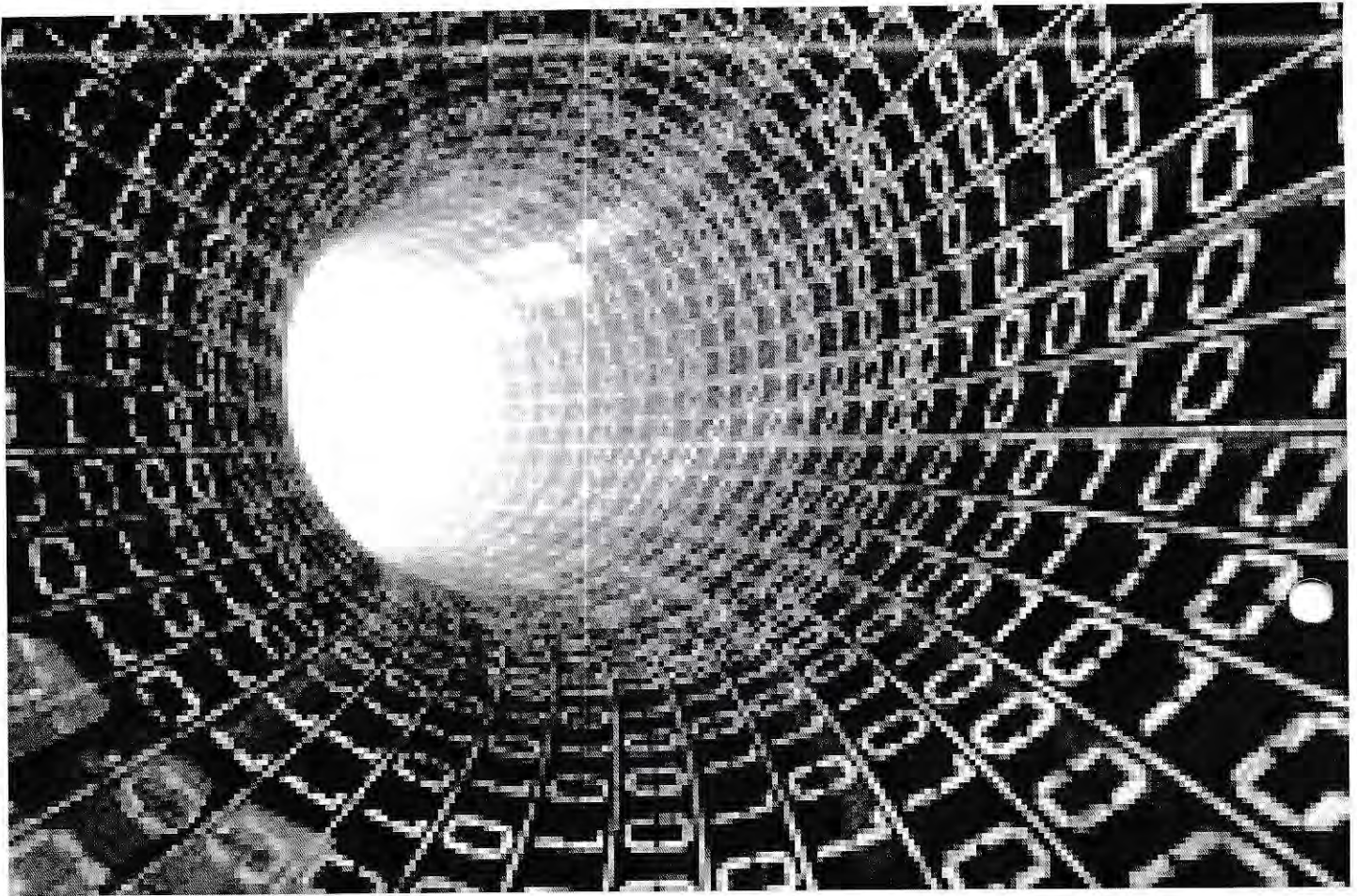
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Six focus areas for banks to drive maximum value and benefits from open banking.



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An overview of the privacy implications arising in the context of data-scraping.



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With an increase in options to procure legal services, the market is now more complex.



In 2016, the Government announced a National Business Simplification Initiative ('Initiative'), which is aimed at reducing the regulatory burdens imposed on businesses so that they can focus on the growth of their business, the creation of new jobs and the development of new products and marketing strategies. As part of the Initiative, the Government has introduced the Modernising Business Registers program, which is focused on introducing a streamlined single platform registry service. As part of this program the Government recently introduced a suite of six bills for the purpose of enacting new legislation to be called the Commonwealth Registers Act 2019 ('Act') and to make amendments to existing laws to accommodate the creation of the new business registry regime ('New Regime').

Currently, there are 34 legal registers that are administered by the Australian Securities and Investments Commission and the Australian Business Register ('ABR'). These registers include entity name/identifier/information registers, registers of banned or disqualified persons and professional registers, some of which include, the business names register, managed investment scheme register, register of disqualified company directors and other officers and register of financial services licensees. The New Regime, if approved by Parliament, will create a streamlined single platform registry service that will be administered by a single Commonwealth body to be appointed by the Minister, which will also be known as the registrar ('Registrar'). Most functions and powers of the Registrar will already be set out in existing laws, however, additional functions and powers will be granted to the Registrar to allow the New Regime to be applied in a holistic, consistent and flexible manner. These data standards would allow uniform streamlined standards to be applied, including:

- what information may be collected
- how such information may be collected



- how information held by the Registrar will be authenticated, verified or validated
- how information held by the Registrar is to be stored
- the correction of information held by the Registrar
- the manner and form of communication between the Registrar and persons who give information to the Registrar or seek to access information held by the Registrar
- integrating or linking information held by the Registrar.¹

Inefficiencies of current registries

Such uniform standards are designed to remove the following inefficient and undesirable features of the current registries regime:

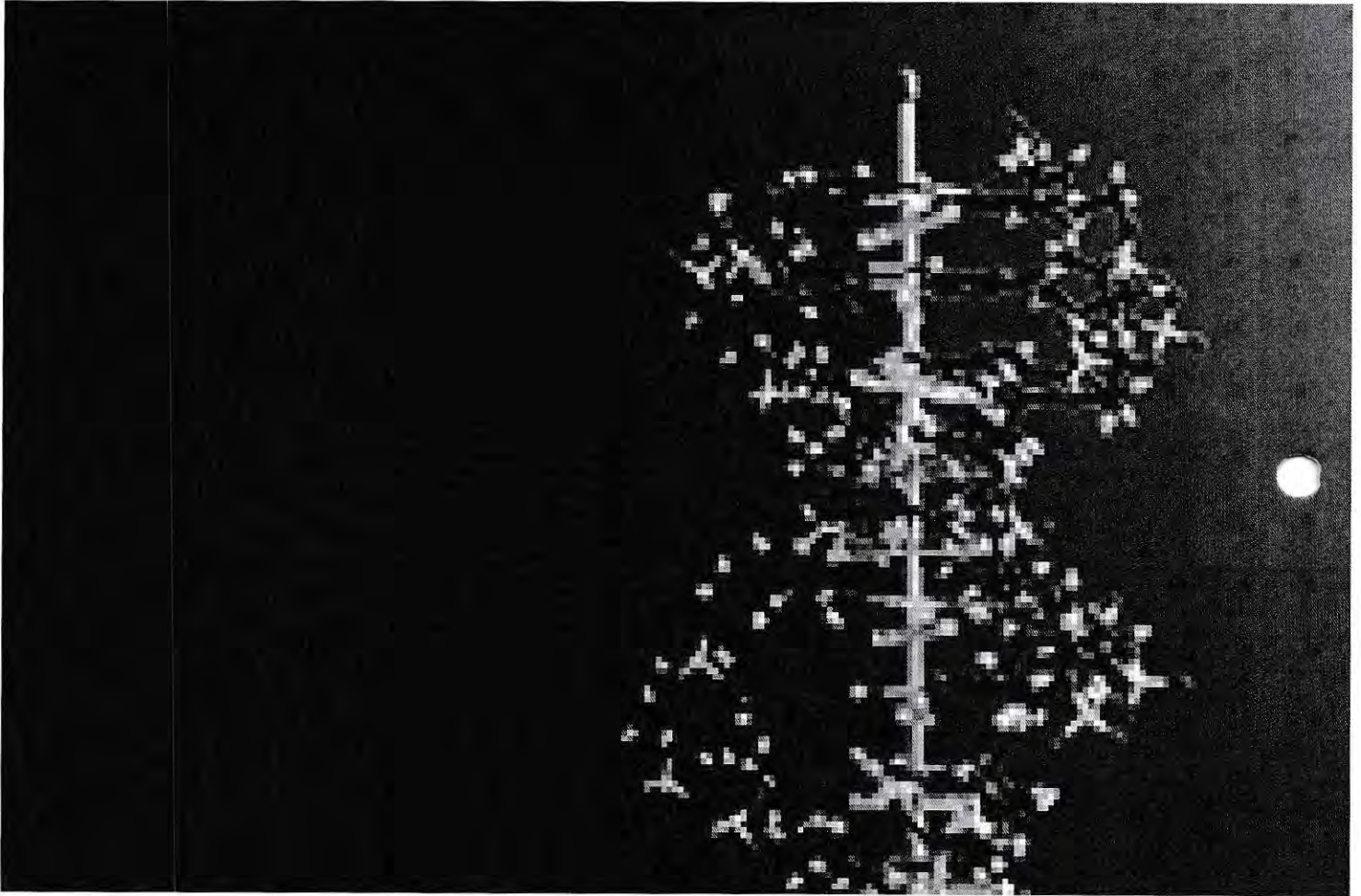
- **Multiple submissions:** business owners often have to provide the same information multiple times as registers are maintained separately from each other despite holding similar information.
- **Outdated registers:** registers are often outdated as regulators have not determined the information required for each register.
- **Inconsistent, incomplete or defective information:** information contained in registers is often inconsistent, incomplete or defective as regulators have varying levels of skill to determine the manner and form in which the registry information is collected and the business rules associated with such collections.
- **Registry data capability not utilised:** the use of registry data is not maximised or used to its best capabilities as there are varying and inconsistent rules applying to the management and use of the registers.²

Under the New Regime it is also proposed that Director Identification Numbers (DINs) be introduced. DINs are a unique identifier for persons to verify their identity and consent to being a director of a company. The purpose of DINs is to prevent the use of fictitious identities and to circumvent the facilitation of phoenixing or fraudulent activities such as setting up companies for dishonest purposes. Once a DIN is issued, the DIN is a permanent identifier for that individual and will not expire even if that individual terminates their directorship with a particular company. The DIN will allow the individual's director activities and profile to be tracked over time.

Whilst the suite of six bills has not yet been passed by Parliament, and may be subject to a series of amendments, we can see that the implementation of the Initiative is well underway and it is appearing increasingly likely that we will soon see the introduction of DINs and a streamlined single platform registry service.

Footnotes

1. Explanatory Memorandum, Commonwealth Registers Bill 2019 (Cth), Treasury Laws Amendment (Registries Modernisation and Other Measures) Bill 2019 (Cth), Business Names Registration (Fees) Amendment (Registries Modernisation) Bill 2019 (Cth), Corporations (Fee) Amendment (Registries Modernisation) Bill 2019 (Cth), National Consumer Credit Protection (Fees) Amendment (Registries Modernisation) Bill 2019 (Cth) 15.





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