## What is a Director Identification Number (director ID) and do I need one?

You may have heard about the new rules which require directors of Australian companies to obtain a Director Identification Number (director ID). The new requirement to obtain a director ID also applies to individuals who have an SMSF with a corporate trustee, which is why I wanted to bring this new requirement to your attention. For members of your SMSF that do not already have a director ID, they will need to apply for one, before they are appointed as a director of the SMSF corporate trustee.

This document provides some important information about director IDs, including how to apply for one and by when.

An application for a director ID must be made individually and only by those who are applying for the director ID. As you are required to prove your identity as part of the process, our firm, or any other third party, is not able to apply for a director ID on your behalf.

**What is a Director Identification Number (director ID)?**

A director ID is a unique identifier that directors need to apply for, like a tax file number. If you are a director of multiple companies, you are only required to have one director ID that will be used across all companies. You will keep your director ID forever even if you change companies, resign altogether from your director role(s), change your name, or move overseas.

**Why do I need a Director Identification Number?**

As part of the Government’s Digital Business Plan, it is rolling out a Modernising Business Registers program which includes the introduction of director IDs. The main purpose is to prevent the use of false or fraudulent director identities as well as to improve the efficiency of the system by making it easier to meet registration obligations and trace director activity and relationships. By improving the integrity and security of business data it is expected to reduce the risk of unlawful activity.

**How do I apply for a Director Identification Number?**

There are 3 key steps to apply for your director ID.

**Step 1: Set up myGovID** – If you do not already have a myGovID you will need to set this up before you can apply for your director ID online. You can find information on how to setup your myGovID by downloading the app at: <https://www.mygovid.gov.au/set-up>

**Step 2: Gather your documents** – You will need to gather some information that the ATO already knows about you to verify your identity. You will need your tax file number, your residential address held by the ATO, and information from two of the following documents:

* Bank account details
* ATO notice of assessment
* Super account details
* Dividend statement
* Centrelink payment summary
* PAYG payment summary

Most of this information can be downloaded from your myGov account so it may be worthwhile linking to this service ahead of applying for your director ID. Note, myGovID is different to your myGov account. Your myGov account allows you to link to and access online services provided by the ATO, Centrelink, Medicare and more, while myGovID is an app that enables you to prove who you are and to log in to a range of government online services, including myGov.

**Step 3: Complete your application -** Once you have a myGovID and information to verify your identity, you are ready to apply for your director ID. You can click on the following link to start the application process. The application process is quick and should take you less than 5 minutes.

<https://abrs.gov.au/persons/ui/secure/start/applyForDirectorID?action=applyfordirectorid>

Further information about the application process, and step-by-step instructions, can be found via this link: <https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>

**By when do I need to have a Director Identification Number?**

For individuals who are eligible to be appointed as a director of an Australian company, any time after 5 April 2022, you must apply for your director ID before your appointment. This may be when your SMSF corporate trustee company is being established.

If prior to 5 April 2022, you were already appointed as a director then the deadline to get a director ID varies depending on when you were first appointed as a director of any Australian company. The table below outlines the various deadlines and we encourage you to contact our office if you are unsure which deadline applied to you.

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| --- | --- |
| **Date you first become a director** | **Date by when you must have applied for a Director Identification Number** |
| On or before 31 October 2021 | By 30 November 2022 |
| Between 1 November 2021 and 4 April 2022 | Within 28 days of appointment |
| From 5 April 2022 | Before appointment |

**How can we help?**

If you have any questions or would like further information about director IDs, please feel free to give me a call, or arrange a time for a meeting, so we can discuss your requirements in more detail. Although we are unable to apply for a director ID on your behalf, we would be more than happy to guide you through the process.

For other information, resources and timely updates relevant to your SMSF, please refer to the SMSF Association’s trustee education platform, [SMSF Connect.](https://smsfconnect.com/)