



# EXPOSURE DRAFT

## EXPLANATORY STATEMENT

### Issued by authority of the Minister for Superannuation, Financial Services and the Digital Economy

*Corporations Act 2001, Treasury Laws Amendment (Registries Modernisation and Other Measures) Act 2020*

*Corporations (Director Identification Numbers—Transitional Application Period) Instrument 2021*

Section 1653(2) of the *Corporations Act 2001* (the Corporations Act) and subitem 9(3) in Schedule 2 to the *Treasury Laws Amendment (Registries Modernisation and Other Measures) Act 2020* provide that the Minister may prescribe transitional application periods for the director identification number obligations under the Corporations Act and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (the CATSI Act).

The transitional application periods extend the time available for persons who are eligible officers immediately before the commencement of the director identification number obligations to apply for a director identification number. The persons are required to apply for a director identification number before the end of the applicable transitional application period.

This instrument specifies that the transitional application period under the Corporations Act is 4 April 2021 to 30 November 2022 and the transitional application period under the CATSI Act is 4 April 2021 to 30 November 2023.

As part of the Digital Business Plan, the Australian Government is implementing a modern approach to managing Commonwealth business registers via the implementation of the Modernising Business Registers (MBR) Program. The MBR Program will transform business services by creating a single source of trusted and accessible business data and provide efficient registry service delivery. The Program includes the introduction of director identification number regimes under the Corporations Act and the CATSI Act. The mandatory operation of those regimes will begin after a public beta trial of the technology systems and the transitional application periods facilitate the testing of the technology systems and provide sufficient time for persons to apply for director identification numbers if required.

The MBR Program has been subject to extensive public consultation and has received broad support from industry and government stakeholders.

The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

The instrument commenced on the day following its registration.



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A Regulation Impact Statement is not required because this instrument has no more than a minor impact on business, individuals or community organisations as it is effectively only specifying the commencement of an element of the MBR Program (OBPR Ref. 22346).

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