



ASIC

Australian Securities & Investments Commission

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Sent via email economics.sen@aph.gov.au

INQUIRY INTO THE EXPOSURE DRAFT OF THE BUSINESS NAMES REGISTRATION BILL AND RELATED BILLS

Dear Dr Grant

Thank you for the invitation to make a submission in relation to the Business Names Registration Bill 2011 and related bills.

ASIC has been working extensively on the transition to National Business Names and is pleased to comment about its involvement.

BACKGROUND

National Business Names is a regulatory reform initiated by the Council of Australian Governments (COAG) to reduce the regulatory burden for business.

The initiative will allow businesses to apply and pay for a national business name and an Australian Business Number (ABN) through a single, standardized online application process. Alternatively, businesses with a current ABN may apply for a business name.

This represents a change to the current regime where the business name and ABN registration processes operate independently of each other, and the processes and costs of obtaining a business name vary significantly between states and territories.

The national business names register will be administered by ASIC from mid 2012. There are currently 1.8 million business names registered in Australia, with approximately 400,000 new business name registrations per annum.

In implementing the project, ASIC is working closely with the Australian Business Register (ABR) which will host the online service for joint registration of an ABN and business name.

KEY ELEMENTS OF THE ASIC BUSINESS NAME SERVICE

Service Model –National business name registration will be available and promoted as a fully online service. For a transitional period ASIC will provide physical locations for clients to 'drop off' a paper application, or to lodge and search the business names register on-line. ASIC is consulting with selected organisations, such as the Australian Taxation Office (ATO), to explore partnerships for providing in-person services.

Business Name Availability - The online business name service will use consistent rules for determining the availability of a proposed business name. The rules will be objective and automated, with potentially conflicting names assessed by an ASIC staff member.

ABN required - The ABN will be a prerequisite for registering a business name. The applicant will be required to advise their ABN, or have lodged an application for an ABN, to submit an application for a business name with ASIC.

Grandfathering provisions will mean that the owners of existing business names transitioned from state/territory registers will not be required to meet the ABN requirement.

Online service – Customers will be able to register a business name direct from the ASIC website. If they do not already have an ABN, they will be encouraged to use the joint business name/ABN registration service available from the ABR. Customers can choose to complete the registration themselves, or use a third party provider who may provide additional services associated with the establishment of a business (such as occupational licensing services).

Searching of the business names register will be available direct from the ASIC website, or through third party Information Brokers. Most of the information on the business name register will be available free of charge through ASIC's online search service.

COORDINATING THE TRANSITION TO A NATIONAL SERVICE

Business Names Transferred from State/Territory Registers –the move to a national business name service will include the transition, to one national register, of all business names registered on the state/territory business name registers. Targeted Information will be distributed, by ASIC and its government partner agencies, to existing business name holders leading up to the transition. Following commencement of the national service, each business name holder will be contacted by ASIC before or at the time their business name registration is due for renewal.

Communications in the Transition – the consolidation of state/territory services into one national business name service will result in changes to the way the service is delivered. The ability for customers to use a fully online service for a single registration Australia-wide is one such change. ASIC is coordinating with government partners (including those agencies that currently administer business names in their state/territory) to develop and deliver a variety of communication products which contain key messages for existing and prospective business name owners.

PREPARING FOR SUCCESSFUL IMPLEMENTATION

ASIC is currently preparing for, and is on track, to launch the new Business Names service in mid 2012. With key components of legislation and policy largely resolved and certain, ASIC has finalised process designs and is building enabling technology, including the business names register, online registration and lodgement portal, and search services. Other operational services (such as services to issue correspondence and facilitate ongoing data exchange capability with the ABR) are also underway.

ASIC has a strong governance framework to support the successful delivery of this reform, including participation at Government level in the Steering Committee and Project Board. Within ASIC a Project Board chaired by ASIC Commissioner Peter Boxall oversees the implementation.

The successful implementation of the national Business Names service has a high priority within ASIC, and it is currently our highest priority technology-related project.

ASIC has engaged our Real Economy Business Advisory Committee (our key external stakeholder group comprising industry bodies, professional associations, and other stakeholders) throughout the project.

ASIC is also conducting user forums with businesses and key stakeholders in several locations across Australia in the coming months. These forums will provide stakeholders with an opportunity to provide feedback on our service design and will be invaluable for assessing usability.

ASIC is committed to delivering the national service on time and within the allocated budget. While the current focus is on meeting implementation milestones, ASIC is well positioned to administer the National Business Names service into the future.

Yours sincerely

Rosanne Bell
Senior Executive Leader, Real Economy