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Topic:

Registry analysis

Mr GORMAN: I want to take you to the incoming government brief and some questions that arise out of that and maybe you would like to take these on notice. Concerning the registry modernisation project, it would be good to get data on the 2.7 million businesses that are in your registry. How many provide no update proactively within a year other than what you require of them when you write to them? Also, I'd be interested to know if you can provide, as a starting point, details of what analysis you do using your own registry to look for problems where companies may not be fulfilling their other obligations.

Mr Price: I'm happy to take that on notice, Senator. That's probably the fastest and most efficient way to deal with it. We do have compliance initiatives in relation to lodgements and so forth, but, in the interests of time, I'm very happy to take that on notice.

Answer:

The 2.7 million companies registered with ASIC have a year-round obligation of updating their details with ASIC when changes occur, including changes to their registered office, principal place of business, officeholders, share structure and members. Changes must be notified with 28 days of the date of change. Late fees apply for late notification.

Companies must also undertake an annual review, which includes reviewing their details, paying an annual review fee and passing a solvency declaration. To facilitate this, ASIC sends every company an annual statement and invoice shortly after its review date. The annual statement contains the company details on record with ASIC and, if changes have occurred, the company must update the details with ASIC within 28 days of the review date. Late fees apply for late notification.

In 2018/19, ASIC received 966,294 updates for 629,676 companies – this means approximately 2,074,445 companies did not notify updates (or 70% of all companies).

ASIC undertakes compliance programs to identify and target companies that have not fulfilled other obligations, these include:

- Non-lodgement of financial statements for:
 - o Large proprietary companies,
 - o Small proprietary companies controlled by a foreign company,
 - o Unlisted public companies,
 - o Unlisted public companies limited by guarantee,
 - o New Zealand foreign companies, and
 - o Other Foreign companies.
- ASIC Initiated deregistration for companies that fail to pay their annual review fees
- Companies who do not meet minimum officeholder requirements
- Removing disqualified officeholders who have been appointed to companies
- Removing bankrupt officeholders who have been appointed to companies

Compliance programs are also undertaken for other entities regulated by ASIC, including business names, managed investment schemes and Australian financial services licences.