

# Director Identification Numbers and SMSFs

The what, why and how?

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## But first... You need to know

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# AGENDA

- What is a Director Identification Number (DIN)?
- Why do I need a DIN?
- Who needs a DIN?
- When do I need a DIN?
- How do I get a DIN?
- What happens if I do not get a DIN?



What is a Director identification Number (DIN)?

# What is a Director identification Number (DIN)?

- A unique 15-digit identifier
- Directors will only ever have one director ID
- They'll keep it forever even if they:
  - change companies
  - stop being a director
  - change their name
  - move interstate or overseas.



Why do I need a DIN?



# Why do I need a DIN?

- Prevent the use of false or fraudulent director identities
- Make it easier for external administrators and regulators to trace directors' relationships with companies over time
- Identify and eliminate director involvement in unlawful activity, such as illegal phoenix activity
- Stop lost tax revenue.



# What is a Phoenix Scheme?

- Illegal phoenix activity is when a company is liquidated, wound up or abandoned to avoid paying its debts.
- A new company is then started to continue the same business activities without the debt.
- When this happens:
  - employees miss out on wages, superannuation and entitlements
  - suppliers or sub-contractors are left unpaid
  - other businesses are put at a competitive disadvantage
  - the community misses out on revenue that could have contributed to community services.



Who needs a DIN?



# Who needs a DIN?

- An eligible officer of a company, a registered Australian body or a registered foreign company under the Corporations Act 2001 (Corporations Act)
- An eligible officer is a person who is appointed as:
  - a director
  - an alternate director who is acting in that capacity.
- Therefore the director of SMSF corporate trustee
- Includes someone who is an Enduring Power of Attorney acting in that capacity.



When do I need a DIN?



# When do I need a DIN?

Date you become a director	Date you must apply
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 do I get a DIN?



# How do I get a DIN?

- It must be done by you – your Accountant/Administrator cannot do this
- The fastest way to do this is online using the myGovID app
- It is a three-step process:
  - Step 1 – set up myGovID
  - Step 2 – gather your documents
  - Step 3 – complete your application.
- You need to also access two websites:
  - <https://www.mygovid.gov.au/set-up>
  - <https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>

## How do I get a DIN?

- myGovID is different from myGov
- myGovID is an app - you download the myGovID app to your smart device
- It lets you prove who you are and log in to a range of government online services, including myGov
- *Think of myGovID as an identification and data security system*
- myGov is an account - your myGov account lets you link to and access online services provided by the Australian Taxation Office (ATO), Centrelink, Medicare and more.

# Step 1 – Set up myGovID

- Download the myGovID app



- Open the myGovID app on your smart device and follow the prompts
- You need to enter your full name, date of birth and email address
- Choose an email address that you will be able to access
- Work email may not suffice (due to retirement, redundancy, etc)
- A code will be sent to the email address, which you need to enter into the myGovID app to take the next step.



# Step 1 – Set up myGovID

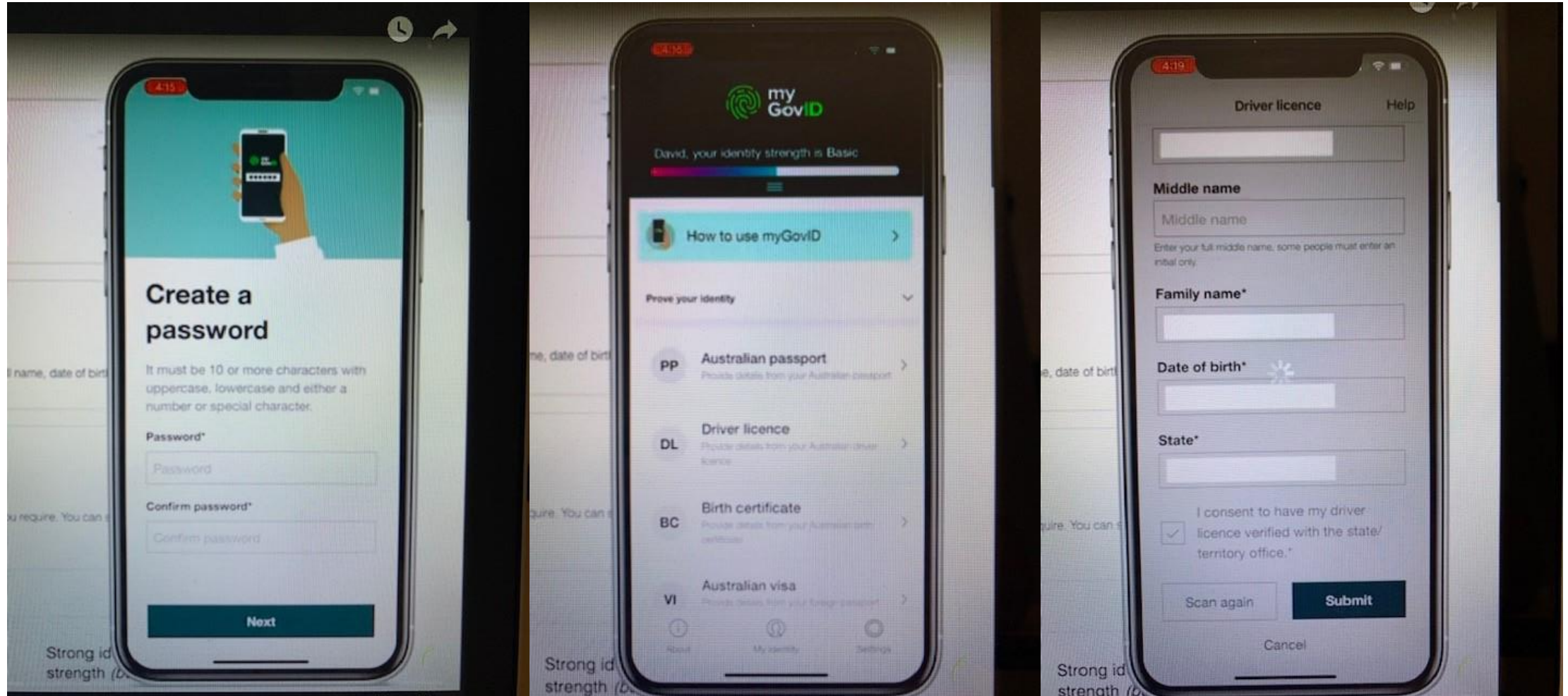
- Choose your identity strength:
  - The government online service you want to access determines the minimum identity strength you require
- You can set up a Basic, Standard or Strong myGovID:
  - A Basic myGovID allows access to limited participating government online services
  - A Standard myGovID allows access to most participating government online services
  - A Strong myGovID allows access to all participating government online services.

# Step 1 – Set up myGovID

- For a Standard identity strength, you need to enter your personal details and verify at least two of the following Australian identity documents (your name must match on both):
  - driver's license or learner's permit
  - passport (not more than three years expired)
  - birth certificate
  - visa (using your foreign passport)
  - citizenship certificate
  - ImmiCard
  - Medicare card.
- There are prompts to enter details of the docs (or scan).



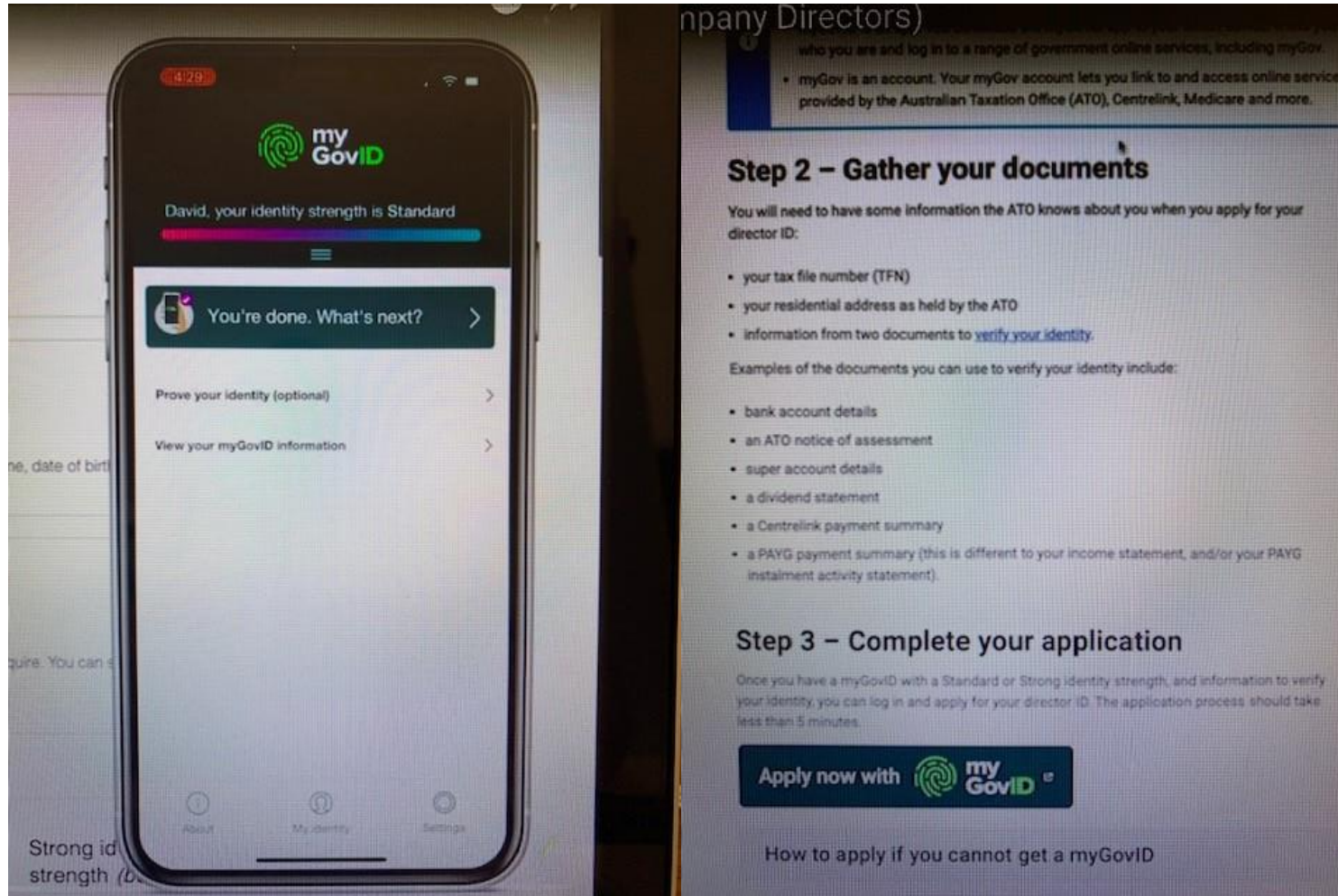
# Step 1 – Set up myGovID



## Step 1 – Set up myGovID

- The two identity documents may be scanned using your smartphone camera
- To ensure these documents scan correctly:
  - make sure you're using the latest version of the myGovID app
  - all edges of your document are visible in the image
  - There is no blur, shadow or glare.
- If setting up Strong myGovID, you need to take a photo (a selfie) in the myGovID app using your smartphone
- The technology checks that you are present and taking the photo, as it is trained to look for signs of fraud
- *Once you've done that, you've established a myGovID account.*

# Step 2 – Gather relevant documents



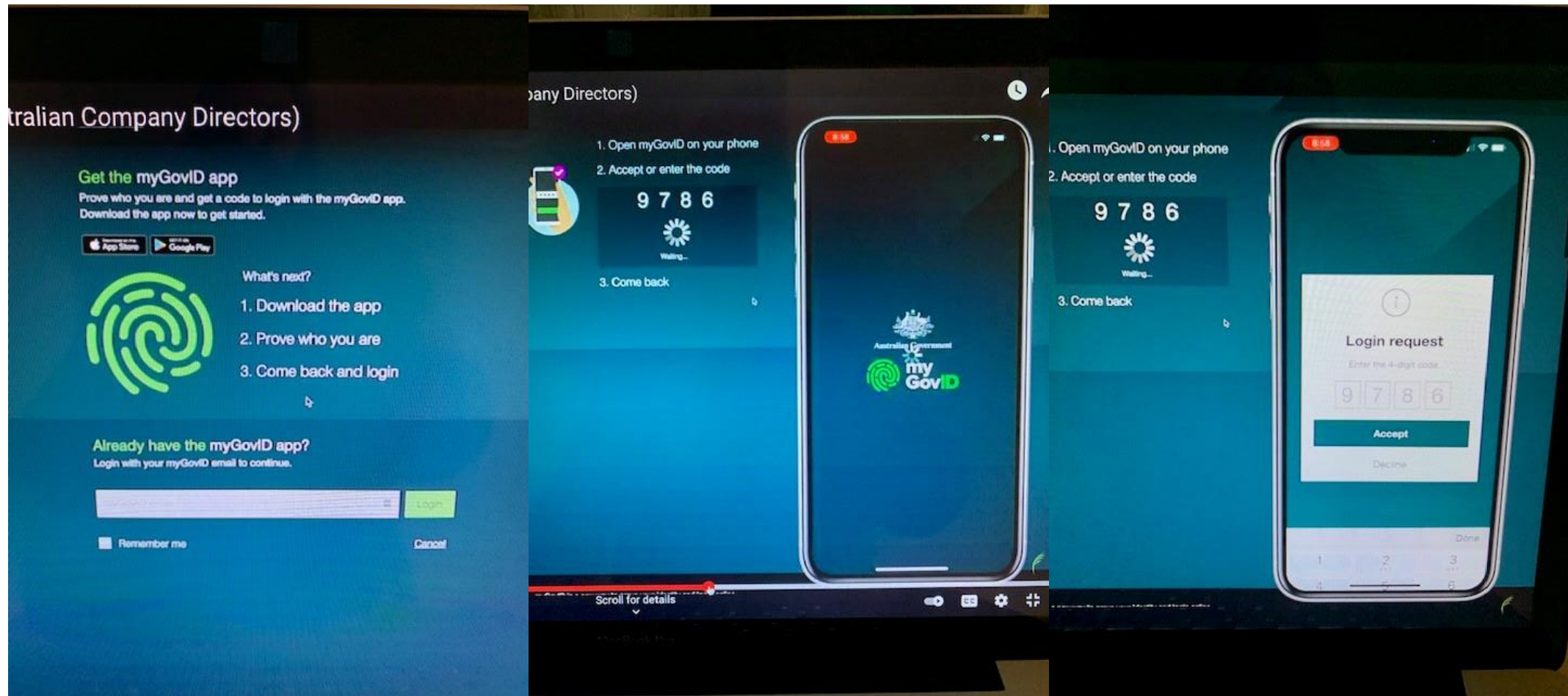
## Step 2 – Gather relevant documents

- You will need to have some information the ATO knows about you when you apply for your director ID:
  - your tax file number (TFN)
  - your residential address as held by the ATO
  - Also information from two records to verify your identity:
    - Bank account details
    - ATO Notice of Assessment
    - Super account details.
- These details will need to be entered into the app as part of the establishment process.

## Step 3 – Apply for your DIN

- Go to <https://www.abrs.gov.au/director-identification-number/apply-director-identification-number>
- Click on the “Apply now with myGovID”
- Enter your myGovID email address
- On the screen will appear a 4-digit code
- Open the myGovID app on your smartphone
- Enter the code where prompted in the app and hit ‘accept’.

# Step 3 – Apply for your DIN





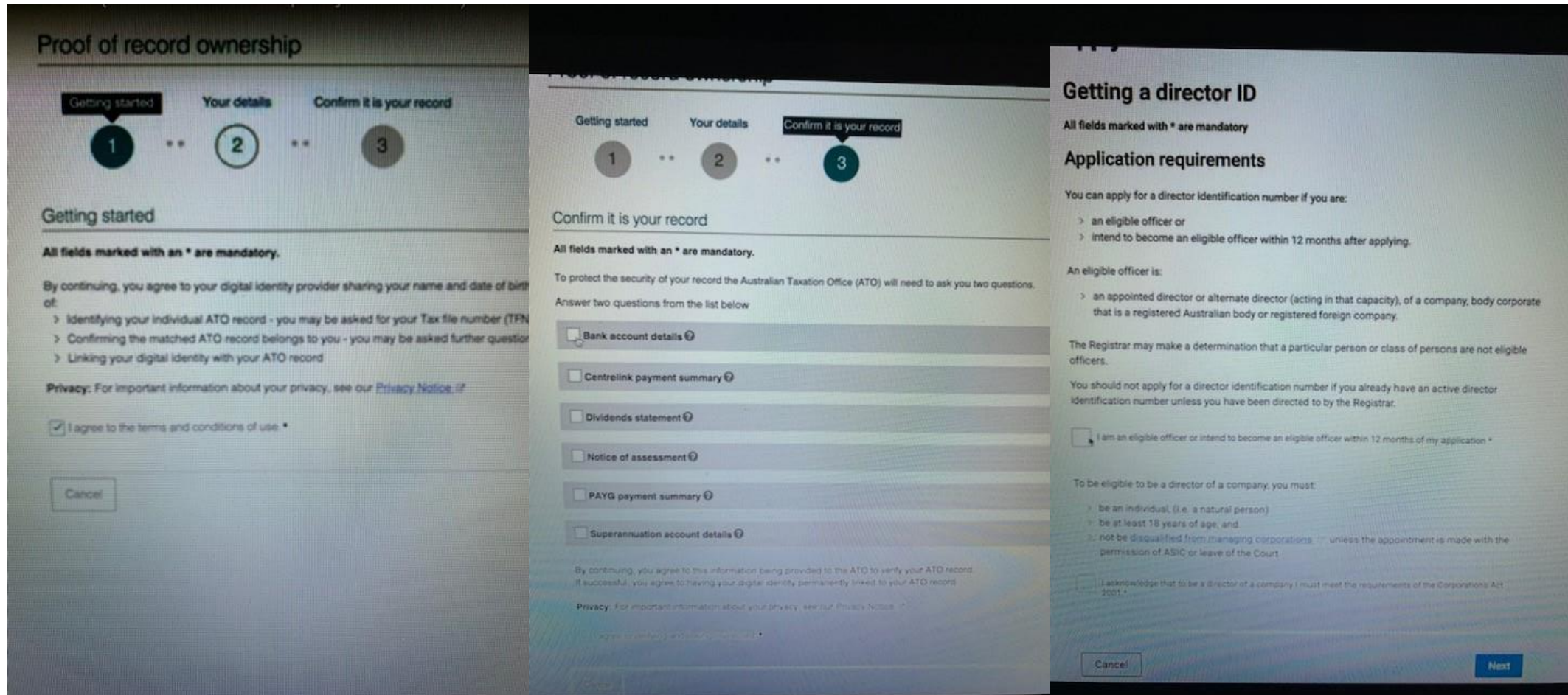
## Step 3 – Apply for your DIN

- You will then be required to enter your “Proof of record ownership”
- This is where you will need to enter your TFN and address details
- Also this is where you enter the details from two of the records to verify your identity:
  - Bank account details
  - ATO Notice of Assessment
  - Super account details
  - Dividend statement
  - Centrelink Payment Summary
  - PAYG Payment Summary.

## Step 3 – Apply for your DIN

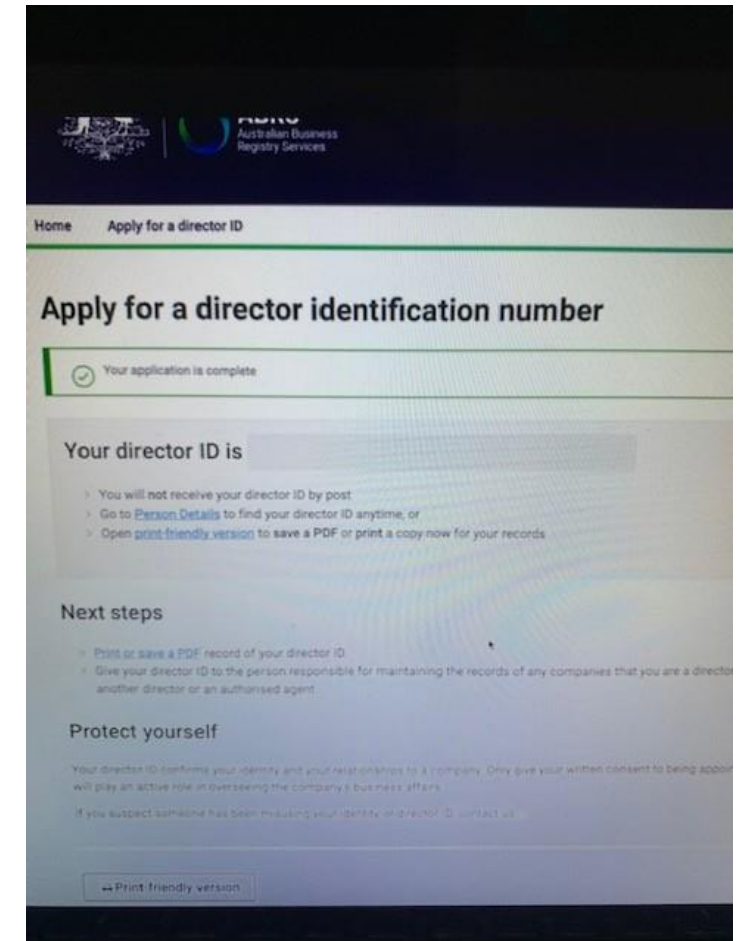
- These are your personal details, not the SMSF's details
- Fill them in, then click 'Submit'
- Then you will be taken to the Director ID page
- Read the application and eligibility requirements:
  - If already a director, you should satisfy these requirements
  - If you intend to be a director of a company you can still apply for a DIN
  - But you must become a director within 12 months of applying for a DIN.

# Step 3 – Apply for your DIN



## Step 3 – Apply for your DIN

- Once you have:
  - Confirmed your details
  - Tick the acknowledgements
  - Clicked the Declaration and 'Submit'
- You will be then issued with a Director Identification Number
- Best thing is to print to PDF and load this onto your Dashboard.



# What happens if I don't get a DIN?

- If a director:
  - Does not apply for a DIN within the required timeframe,
  - Does not hold a DIN when they are required to.
- This could result in an infringement notice being issued
- Civil penalties bring charged and/or criminal prosecution.



# What happens if I don't get a DIN?

Offence	Legislative section	Maximum penalties for individuals
Failure to have a director ID when required to do so	s1272C	\$13,200 (criminal); \$1,100,000 (civil)
Failure to apply for a director ID when directed by the Registrar	s1272D	\$13,200 (criminal); \$1,100,000 (civil)
Applying for multiple director IDs	s1272G	\$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil)
Misrepresenting director ID	s1272H	\$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil)



# Questions

February 2022

# Questions

What if I have one name on my Birth Certificate and another name on my Medicare Card, Driver's Licence, etc?

- A paper application can be lodged
- There is a section where you provide your full legal name, which would be the name on your birth certificate
- This would then flow through to the name on your passport if you're using that as an ID point
- There is also a question on the paper form that asks if you've been known by any other names
- The paper application will need certified documentation.



# Questions

If I don't have a smartphone, is there any other way I can apply for a DIN?

- You can apply by phone if you have:
  - Australian TFN
  - The information needed to verify your identity (as listed above).
- The phone number is 13 62 50 and is available between 8:00am and 6:00pm Monday to Friday for directors in Australia
- For directors calling from overseas, the number is +61 2 6216 3440.

## Our team of technical experts



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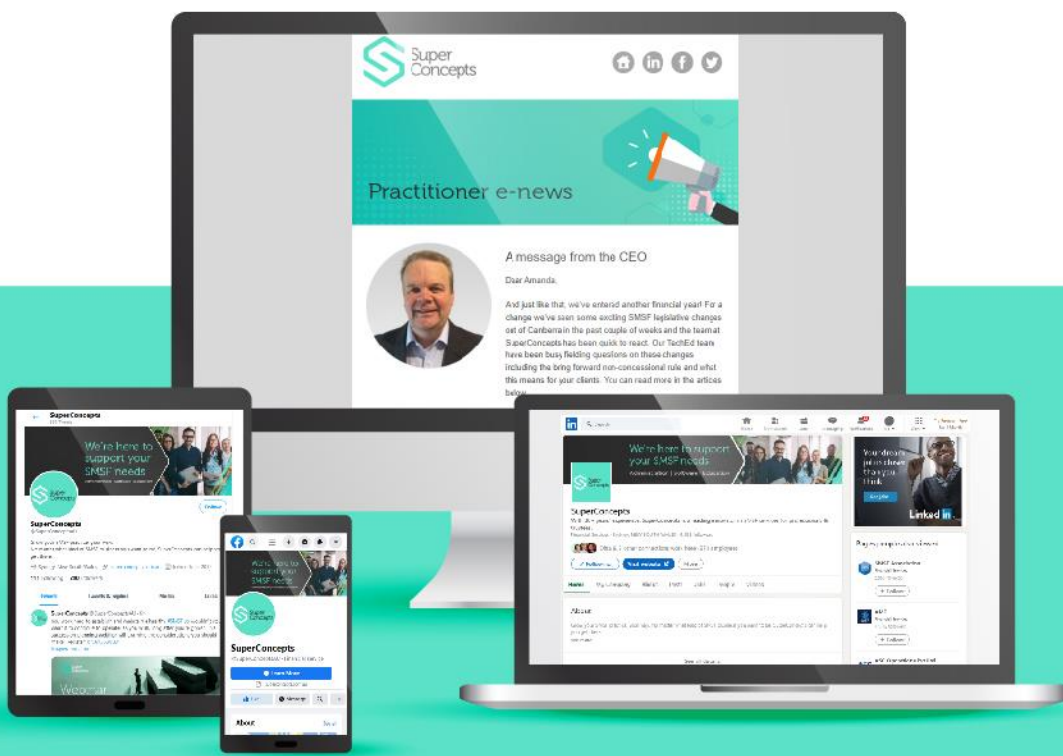
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