

LATEST UPDATE – June 2008

Welcome to the latest edition of our newsletter. In this issue we bring you current developments in the compliance field. Robert Zitek represented Corporate Express (a member of the **ASIC Business Advisory Committee**) at a recent meeting in Melbourne and has provided below some issues we believe will be of interest to you. Our participation in committees such as this ensures that we are on top of important developments and we look forward to keeping you up to date on these topics.

Non-compliance with the Annual Review Process & Financial Reporting Obligations

Here are some interesting statistics.

- 2.25% of all registered companies do not undertake their annual review process;
- 18% of all registered companies receive late fees;
- 50% of new companies receive late fees;
- each year 3000-4000 companies fail to update the ASIC corporate register in relation to officeholder changes;
- a significant number of unlisted public companies do not lodge their financial reports within the permitted time frame

ASIC is of the view that there remains a lack of understanding on the part of company officers of their obligations in these areas. *We can make Officeholder requirements and Annual Review Compliance easy for you. To know how telephone us and ask for Amanda.*

Company Deregistration

Every year ASIC initiates the deregistration of 25,000 companies. The reason? Failure to pay annual review fees for a period in excess of 12 months. It is in the interest of all officeholders to ensure that their companies are properly

managed right up to the end as their history as financial managers can be accessed through searching the ASIC corporate register. It was pointed out that some lenders are undertaking this type of enquiry of their prospective borrowers. The message is clear. Deregister your company if it is no longer required. *We can assist you in the proper and timely deregistration of the companies you manage. Call or email us for an order form.*

Are you a large proprietary company?

ASIC may be on to you! Each year ASIC contacts companies that it suspects are large proprietary companies. Up to 50% of companies they contact are so.

Remember the onus is on the company to inform ASIC of its status in this regard. Large proprietary companies must lodge yearly financials.

A proprietary company is a large proprietary company if it satisfies two of the following conditions at the end of a financial year.

- The consolidated revenue for the company and the entities it controls is \$25 million or more.
- The value of the consolidated gross assets of the company and the entities it controls is \$12.5 million or more.
- The company and the entities it controls has 50 employees or more.

ASIC now accepts credit card payments

ASIC payments can now be made on mastercard and visa through:

- Australia Post
- Postbill pay by phoning 131816
- www.postbillpay.com.au
- Bpay as provided by the client's financial institution.

Are you a duplicate?

ASIC has commenced a project to reduce the number of duplicate persons on the ASIC register.

It is estimated that 30,000 duplicate person records are created each year.

The problem arises because the information you provide ASIC is taken as correct. Inconsistency in the full name provided, the spelling of names or addresses will result in a duplicate record being produced.

As we are intermediaries we often pick up these inconsistencies and inform you. *If you wish to clean up your ASIC identity please contact us to discuss the options.*

Changes to the Corporate Key

Corporate keys issued to companies on annual statements after 26 May 2008 will no longer change automatically each year.

Until a company obtains its fixed corporate key it must use its current one. It is hoped that this initiative will reduce confusion.

A company's 8 digit corporate key is located on the company's annual statement.

A new corporate key will be issued by ASIC in the following circumstances.

- A director, secretary or agent of the company makes a request of ASIC over the telephone
- A company appoints or ceases a registered agent.

The new key will be sent to the registered office.

Company Reinstatements

A company which has been deregistered by ASIC can now apply for reinstatement without the need to make an application to the Supreme or Federal Court.

The ASIC application fee is only \$33.00 but the hitch is that the company must also pay:

- all outstanding annual review fees for the years it was deregistered; plus
- all late payment fees for those years; in addition to
- any outstanding penalties, fines and court costs incurred prior to the company being deregistered.

If you wish to obtain a quote of the fees a company will have to pay on reinstatement please contact us. We can also assist you in making the application. Just contact us for the kit.

Disclaimer

The information provided in this document is for your general information only. It is not intended that anyone adopt this information to their personal circumstances without first seeking professional advice.