



ASIC

Australian Securities & Investments Commission

inFocus

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Business Advisory Committee update

ASIC's business advisory committee was established in 2004 to provide a channel for us to consult with the business community and for them to advise us of the impact of proposed changes on business. Members include representatives from a range of stakeholder groups including small business, company management, electronic commerce, the legal and accounting profession, related government services and ASIC services.

The latest Business Advisory Committee meeting on 4 May gave us the opportunity to outline some current issues facing ASIC's Public Information Program and discuss possible solutions with the business representatives. These issues are described below. We welcome your thoughts and feedback to registered.agents@asic.gov.au.

Promoting electronic interaction

How to increase the rate of electronic uptake

Most of ASIC's interaction with companies and their agents, and the searching public, is electronic, however there is scope for improvement:

- **Annual company reviews.** In 2004/05 we issued 70% of annual statements electronically. Electronic interfaces provide for electronic data downloads, debt reports and agent reports.
- **Company registrations.** In 2004/05 around 75% of company registrations were electronic.
- **Document lodgement, including notification of changes to company**

details. In 2003/04 69% of documents that could be, were lodged electronically. Around 55% of all documents are lodged electronically.

The top five, by volume, that are lodged electronically are Form 484 *Change to company details*, Form 362 *Notification of change or cessation of a registered agent by a company*, Form 201 *Application for registration as an Australian company*, Form 361 *Notification of a registered agent ceasing to act for a company* and Form FS30 *Variation to ASIC authorised representatives register: appoint an authorised representative*.

- **Searches of ASIC's public database.** In 2004/05, 98.1% of paid searches were conducted online and the number of information broker searches rose 10% to 3.1 million.
- **ASIC website enquiries.** In 2004/05, free internet searches of company names, numbers and document lists jumped 28% to 9.7 million.

Key electronic lodgement services include EDGE (about 80% of electronic lodgements), easyloodge (about 20% of electronic lodgements) and electronic company registration (ECR).

Promoting timely lodgement

How to reduce late fees and fee waiver activity

ASIC receive a large number of requests for waiver of late fees. Most of these requests are rejected and ASIC is interested to work with stakeholder groups to promote more
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Electronic Lodgement Protocol

Variations 11 and 12 were made to ASIC's Electronic Lodgement Protocol in June 2005. Details are available on www.asic.gov.au/elp.

ASIC's Electronic Lodgement Protocol (ELP) sets out the terms and conditions of electronic lodgement. Failure to adhere to these terms and conditions may result in suspension or termination of your ELP Participation Agreement. Please ensure you remain fully aware of the content of the ELP.

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timely lodgment by companies and their agents.

Late fees are imposed by the law to encourage the timely lodgment of company information. This is so that the Corporate Register, which serves an important role by providing Australian market participants with information about the status of Australian companies, is both current and accurate.

ASIC has no discretion in relation to the imposition of fees imposed by statute, but we have limited discretion to waive late fees, upon application in writing, in exceptional circumstances that are outside of the control of the company.

The number of late fees, particularly late payment fees, incurred by companies in the post-CLERP 7 environment is outlined below. These figures show 386,400 late fees year to date. This compares with 153,000 for the 2003/04 year. It is worth noting that in 2003/04 transitional provisions associated with the implementation of the CLERP 7 reforms meant that many late fees that would otherwise have been incurred, were not imposed.

Year to date March	
Other late fees	34,008
Late review	17,956
Late lodgment	
fee - 484	39,778
Late payment	294,658
	386,400

We expect to receive around 35,000 fee waiver applications in the current financial year — about 1 fee waiver application per 12 late fees imposed. Most of these will not be granted.

Promoting accurate lodgement

How to reduce ASIC requisitions for further particulars relating to document lodgment

By law we have to receive, process and store, efficiently and quickly, the information given to us, and ensure that information is available as soon as practicable for access by the public.

Forms accepted for lodgment must comply with both the law and ASIC policy. Where a form is not accepted, we return the form to the lodging party for them to amend it and return it to us. This process

is known as requisitioning and can lead to significant delays in making information publicly available.

In 2003/04 we processed around 2 million documents. Of these, about 6% were requisitioned for further details. For 2004/05 year to date, around 1.7 m documents have been lodged, with a lower requisition rate of 3.6%. This significant reduction has been achieved through internal changes that included the increased use of telephone contact with lodging parties, and clearer letters to lodging parties.

The requisition rates for the five form types with the highest volume of requisitions year to date are:

No of documents lodged	% of documents requisitioned
<i>Form 484 Change to company details</i>	
635,757	5.05% (13.6% for paper)
<i>Form 309 Notification of details of a charge</i>	
94,274	10.68%
<i>Form 312 Notification of discharge or release of property from a charge</i>	
43,295	7.07%
<i>Form 6010 Application for voluntary deregistration of a company</i>	
31,429	17.73%
<i>Form 524 Presentation of accounts and statement by liquidator</i>	
26,507	6.24%

Of these five forms, only the Form 484 is currently available electronically (the Form 524 will be available from late July). The requisition rate for paper Form 484s is significantly worse than for electronic documents; around 13.6%.

In many instances, electronic documents are rejected if non-compliant. To date approximately 6,000 electronic lodgments have been requisitioned this financial year. We are introducing an electronic requisitioning process for EDGE and easy lodge services.

We have also added smart, new interactive features to our Form 484 to promote more accurate lodgment by clients choosing to lodge in paper.

ASIC mail-outs

How to improve the effectiveness of communication and reduce any duplication

There are currently around 1.4 million registered companies, with around 122,000 new companies registered annually. We interact every year, at least annually, with every company. Most interaction is electronic, but we still use paper correspondence with a significant number of companies because of:

- the stated preference of some companies to interact via paper channels;
- current limitations of available electronic services; and
- the nature of products, some of which currently necessitate paper delivery (eg. mail-outs directly to officeholders).

We send an average of 180,000 items per month, generally directed to companies, their agents and officeholders.

The following items are issued in paper in the highest volumes: annual review packages, confirmations and trigger documents, invoice statements, deregistration letters, new officeholder information packs, letters requesting payment of outstanding fees, requisitions, invoice reprints, fee waivers.

Electronic annual statements

How to promote timely electronic downloading of annual statement packages by clients and to reduce paper re-dispatch

We send out annual statements both electronically and in paper, depending on a company's preference. In 2003/04 around 70% of annual statements were issued electronically via EDGE and easy lodge services.

By law, we have to give an annual statement to each company within 14 days of its review date. If a client does not initiate download within about 10 days, currently we may re-send a paper annual statement to the company's registered office, although clients can request the re-issue of an annual statement electronically.

We re-dispatch around 7 to 8% of electronically issued annual statements in paper now. In some cases these are to



agents that represent many companies. This volume is concerning to us because:

- it may indicate poor compliance processes on behalf of electronic agents
- paper is not ASIC's preferred method of dispatch, and is less efficient
- it may indicate breakdowns in the company/agent relationship (as notified to ASIC).

The paper re-dispatch of annual statements was a service introduced to assist electronic clients during the transition to the post-CLERP 7 environment from 1 July 2003. ASIC is now looking to reduce or eliminate this paper follow-up.

Public enquiry services

How to increase use of the ASIC website as a first channel for public enquiries & how to reduce high volume telephone enquiries

Our Client Contact Centre handled more than 863,000 calls from the public in 2003/04. This represented a 28% increase over the previous year.

Top enquiry types are about invoices, fees and forms, searches, annual statements, deregistration, EDGE, easy lodge, requisitions, our mail address, deregistering a company and corporate key.

Information on these topics is posted on the ASIC website at www.asic.gov.au.

Free internet searches of company names, numbers and document lists are our most popular website services, with 9.7 million hits last year.

We are considering how to improve the ASIC website to ensure it provides the information and services that clients need, in preference to in-person or over-the-phone interactions.

Next step

The next meeting of the Business Advisory Committee will be held in October. At that time we hope to be able to report progress on some of the suggestions offered by the Committee members to help address these issues.

Modern ways of dealing with ASIC

With a growing number of service options available, it may not be necessary for you to visit an ASIC Service Centre in person. Consider some of the alternative service options available.

Want a receipt for a lodged document?

You can use our online lodgement services, EDGE or easy lodge, to get online confirmation of a lodgement. Lodging online is quick, convenient and cost effective — see www.asic.gov.au/easy lodge. If mailing documents to ASIC you can check our website to confirm a document as lodged. Alternatively you can send your documents using registered mail. Remember to allow time for mail delivery.

Need to buy a company search?

You can access 15 different Information brokers online — see www.asic.gov.au/informationbrokers. As well as offering credit card payment options they can also provide additional information.

If you wish to search directly via ASIC you can request and pay for searches by mail to ASIC, PO Box 4000, Gippsland VIC 3841.

Registering a company?

Look in the yellow pages under 'Shelf Company Services' to find providers who can register a company for you as well as provide you with full company secretarial services, including registers, consents, share certificates. Many of these providers use our Electronic Company Registration software and can give you very speedy service.

You can also apply for company registration by mail. ASIC will register a new company within 48 hours of the form being received. Keep an eye on our National Names Index, as your new company will be listed there.

Want to ask a question?

Answers to many of your questions can be found online at www.asic.gov.au. If it isn't there, try our Client Contact Centre.

Making a payment?

Pay your invoice by taking it to any Australia Post office (cash, cheque or EFTPOS) or use BPay. Details are on your invoice statement.

You can continue to post cheques or money orders to ASIC.

Regional service centre closure

The following ASIC Service Centres will be permanently closing on Friday 29 July 2005:

- Geelong Service Centre
- Newcastle Service Centre
- Gold Coast Service Centre
- Townsville Service Centre.

The closure is due to the reducing workload of the offices and the increase in uptake by clients of electronic services.

Clients directly impacted by the closure have been informed, and forums have been held in each location to discuss the alternative service options available. If you need additional information about these closures, you can email us at servicecentre@asic.gov.au. Please include a contact name and telephone number.

Registered liquidators— lodge all your EXAD forms online

As you may know, we've been progressively working towards making all external administration forms available for registered liquidators to lodge online through our Registered Liquidator (EXAD) portal. By the end of July they'll be all available.

We encourage you to register and lodge with us online — if you don't already. As one of our existing online lodgers says: "It's simple to use, easy to understand, time efficient and it's streamlined our reporting and processes...".

If you would like more information on the continuing enhancement of the Registered Liquidator portal, please email joy.hadley@asic.gov.au.

Online forms

- Form EX01 *Notification of information requested in Schedule B to Practice Note 50 pursuant to reports under s422, 438D or s533 of the Corporations Act 2001*
- Form 106 *Request to withdraw a lodged document*
- Form 205 *Notification of resolution*
- Form 484 *Change to company details*
- Form 492 *Request for correction*
- Form 505 *Notification of appointment or cessation as an external administrator*
- Form 506 *Notification of change of address of an external administrator*
- Form 507 *Report as to affairs*
- Form 509D *Notice of special resolution to wind up a company*
- Form 509F *Notice of failure to execute deed of company arrangement*
- Form 509G *Notice of termination of deed of company arrangement*
- Form 511 *Statement verifying report under s430(1) or 475(2)*
- Form 520 *Declaration of solvency*
- Form 522 *Notification of meeting of creditors to consider appointing a new liquidator*
- Form 523 *Notice of final meeting convened by liquidator*
- Form 524 *Presentation of accounts and statement*
- Form 525 *Disclaimer of onerous property*
- Form 529 *Notice of meeting*
- Form 540 *Statement in writing of posting notices of appointment to settle list or supplementary list of contributories*
- Form 545 *Statement in writing of giving notice to persons placed on the list or supplementary list of contributories*
- Form 555 *Notice of controller extending time to submit report as to affairs*
- Form 562 *Notice of liquidator extending time to submit report as to affairs*
- Form 564 *Schedule A to Practice Note 50*
- Form 578 *Deregistration request (liquidator not acting or affairs fully wound up)*
- Form 905A *Notification of change to details of a liquidator*
- Form 908 *Triennial statement by liquidator*
- Form 5011 *Minutes of meeting*
- Form 5053 *Notice that the administration of a company has ended*
- Form 5056 *Notice that deed wholly effectuated*
- Form 5047 *Copy of deed of company arrangement*

Less paper coming your way

Lodging changes to company details online through EDGE or easylodge is fast and easy. Sometimes though you may make an error, or leave out some information.

Currently if that happens and we find we need to request supplementary information; we send a paper copy of the form to you in the post — the fields with the missing information will be left blank. You then have to update the paper copy with the required information and post it back to us for manual processing. Either that or you can lodge a Form 902 *Information supplementary to a form or document previously lodged* electronically. We call this a 'requisition'.

From next month you will receive requisitions **electronically** in your mailbox (via an RC05 and PDF attachment) asking for supplementary information. You can then respond electronically by lodging a Form 902 to ASIC for processing. This is a better option than lodging a new Form 484 which may attract additional late fees. It also provides a faster response.

If you are an active electronic client you will receive follow-up reminders in your inbox. If you do not access your inbox messages within 28 days, follow-up reminders will be posted to company officers.

If multiple Form 484s are lodged on the same day and a number of these consequently require requisition, **multiple** requisition notices will be returned electronically to you. Each notice will refer to an individual document and may contain multiple requisition requests for missing information per individual document.

These changes will reduce paper volumes and increase communication through our electronic systems.

There will be no change to current paper lodgement processes.

Super choice

By now, hopefully everyone has heard about the Australian Government's new choice of superannuation fund initiative, which came into effect on 1 July this year. Choice of superannuation fund will give millions more employees the right to choose which superannuation fund or retirement savings account will receive their future superannuation guarantee contributions.

The Australian Government has launched a new website, www.superchoice.gov.au, and a call centre on 13 28 64 to assist employers, employees and professional advisers.

In brief, employers must offer choice of superannuation fund to existing eligible employees before 29 July 2005.

Step 1: Employers need to identify eligible employees.

Step 2: Employers need to provide a *Standard choice form* to eligible employees. For new employees starting after 1 July 2005, employers need to provide a *Standard choice form* within 28 days of their start date.

Step 3: Employers need to act on an employee's valid choice within 2 months of receiving it.

Employers should refer to the booklet *Choice of superannuation fund – guide for employers*, visit www.superchoice.gov.au or call 13 28 64 for more information about their obligations or to get more copies of the *Standard choice form*.

As for employees, if they are eligible under this new law, they can choose a superannuation fund or retirement savings account for their SG contributions, or stay in the fund chosen by their employer (the "employer fund"). Lots more information for employees about superannuation, and how to compare between different funds, is contained in the new booklet, *Super Choices*. Free copies are available by calling 13 28 64, or can be downloaded from www.superchoice.gov.au

The website also contains information for professional advisers, such as financial planners, lawyers and accountants. Financial planners, and anyone holding an Australian Financial Services License, should visit the ASIC website, at www.asic.gov.au, for lots more information about compliance with financial services laws.

Still lodging Form 484 on paper?

Our EDGE and easylodge online services are still the fastest way to lodge changes to company details but you can now download a copy of the Form 484 Change to company details with smart, new interactive features.

Select what you want to notify and the relevant part of the form is presented. You can key your information directly into the form from your keyboard, no need to write by hand.

You will need the free Acrobat Reader 7.0 installed and preferably at least 512Mb of RAM on your PC.

Once you have finished, just click on 'Complete and print' to print the form, sign and date it then post it in to us.

Don't forget to include your corporate key!

The image shows a screenshot of the ASIC Form 484 'Change to company details'. The form is titled 'Australian Securities & Investments Commission' and 'Form 484'. It includes sections for 'Company details', 'Lodgement details', and 'Signatures'. The 'Company details' section has fields for 'ACN/ABN', 'Company name', and 'Postal address'. The 'Lodgement details' section has fields for 'ASIC system agent number', 'Registration number', and 'Postal address'. The 'Signatures' section has fields for 'Name', 'Signature', and 'Date signed'. There are also checkboxes for 'Notify ASIC' and 'Notify company officers'. The form is designed to be filled out electronically.

Corporate key deadline



The corporate key for critical changes notified using paper forms was launched in March 2004, and is one of a suite of measures designed to protect the integrity of the Corporate Register.

From 1 August 2005, ASIC will start enforcing the requirement to provide a valid corporate key in circumstances where you lodge a 'critical change' in paper.

Critical change forms are:

- Form 362 *Notification of appointment or cessation of a registered agent by a company*
- Form 484 *Change to company details*; and
- Form 486 *Notification to nominate, change or cease a contact address for a company*.

If we receive one of these forms without a valid corporate key; it may be returned to you for correction. You will need to add the company's corporate key to the form

and return it to ASIC, before the corporate register will be updated.

When a company identifies you as its registered agent, you will be sent a new corporate key for that company in the confirmation letter. For your existing clients, the corporate key is provided on the front page of the company's annual statement. When you cease to represent that company, the corporate key will be cancelled.

If you are still lodging paper forms with ASIC, we encourage you to start using one of our electronic lodgement systems. The corporate key is not a requirement for electronically lodged critical change forms. ASIC provides two electronic lodgement products — EDGE and easylodge. See www.asic.gov.au/edge or www.asic.gov.au/easylodge for more information.

If you need more help, our Client Contact Centre on 03 5177 3988 will provide you with information on how to register for one of our electronic lodgement systems.



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Contact

Visit our website at www.asic.gov.au

For consumer information visit www.fido.gov.au

Client Contact Centre

Email info.enquiries@asic.gov.au

Contact our Client Contact Centre's Enquiry Line on **03 5177 3988** (Weekdays 8.30 am to 7 pm AEST)

For any questions about:

- running a company,
- ASIC invoices,
- fees,
- lodging company forms, or
- searching our company database or registers.

Infoline

Email infoline@asic.gov.au

Contact our Client Contact Centre's Infoline on **1300 300 630** (Weekdays 8.30 am to 7 pm AEST)

For information about;

- fundraising,
- licensing,
- disclosure and takeovers,
- making a complaint about companies and services,
- financial services regulation, services and products,
- your AFS licence,
- investors' and consumers' rights, or
- copies of ASIC publications or documents.

Editorial Enquiries

If you have any comments please contact:

Editor, InFocus
ASIC
GPO Box 9827
MELBOURNE VIC 3001

Tel: 03 9280 3346
Fax: 03 9280 3355
Email kathleen.meekings@asic.gov.au