Small business directors: Understanding director obligations

In 2025, ASIC commissioned research to understand how small business directors access information about their ASIC related obligations and the barriers they face in meeting them.

Those surveyed were directors of companies with:

- employees of **up to 100**
- annual revenue of **up to $50 million**
- and assets **up to $25 million**

UNDERSTANDING **DIRECTOR OBLIGATIONS**

1/3 **directors had little or no understanding of the consequences** for breaching their obligations

MAIN BARRIERS TO MEETING **DIRECTOR OBLIGATIONS**

49%	49%	44%	41%	35%	32%
Lack of time and resources available to stay across information and updates	Too much regulation to keep on top of	Cost of seeking professional advice	Cost of maintaining compliance	Having to look at multiple sources to understand	Too much information to sort through

ACCESSING INFORMATION ABOUT **DIRECTOR OBLIGATIONS**

1 in 5 had never accessed information or sought advice about their director obligations from any source

Of those who had accessed information about their obligations, **41%** said they accessed it **annually**

ASIC AS AN **INFORMATION SOURCE**

75% believed **ASIC should communicate more with small businesses** to help them understand their director obligations

67% **regarded it as part of ASIC's role to educate** small business directors about their obligations

Among directors who accessed information or sought advice on their obligations over the preceding 12 months:

87% sought it from accountants

46% used the ASIC website

ACTIONS TAKEN TO ADDRESS **FINANCIAL DIFFICULTIES**

Directors whose company experienced financial difficulty in the last 12 months, said the most common actions taken were:

55% personally borrowed more money to put into the company

51% sought advice from an accountant