

TO: MINISTRY OF BUSINESS, INNOVATION &  
EMPLOYMENT

ON: DIRECTOR IDENTIFICATION NUMBER

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INTRODUCTION

- 1 This submission is from Chapman Tripp, PO Box 2206, Auckland 1140.
- 2 Our contacts are: Roger Wallis, Geof Shirtcliffe



**ROGER WALLIS - PARTNER**

E: [roger.wallis@chapmantripp.com](mailto:roger.wallis@chapmantripp.com)



**GEOF SHIRTCLIFFE - PARTNER**

E: [geof.shirtcliffe@chapmantripp.com](mailto:geof.shirtcliffe@chapmantripp.com)

ABOUT CHAPMAN TRIPP

- 3 Chapman Tripp is a large corporate law firm with a significant interest in governance issues.

SCOPE OF SUBMISSION

- 4 We support the introduction of a director identification number (*DIN*) subject to an important proviso. The legislation must provide directors with the option of providing an address for service rather than a residential address if that is their preference.

Directors can become targets of disgruntled shareholders, employees, competitors and/or interest groups.

To ensure that New Zealand businesses have access to top governance talent, directors must be satisfied that their personal safety and the safety of their families and neighbourhoods are not put at risk.

This decision must be made at this stage of the design process. To defer it to a later date makes no sense and will compromise the integrity of the whole initiative.

Our submission is entirely addressed to this issue.

SUBMISSION

- 5 An individualised DIN will perform an important function in that it will distinguish directors with the same or similar names.

It will also bring New Zealand in line with international trends and will reinforce recent moves to increase transparency and accountability within governance.

But these benefits can be achieved without requiring directors to publish their residential addresses, with the associated safety risks.

The discussion document recognises that the imposition of a DIN will intrude on a director's privacy. In this context, we consider that the ability to provide a non-residential address where papers can be served will provide an important counter-balance.

We note that some directors have raised these concerns with MBIE and that it is your present intention to consult on this matter and on potential solutions early in 2018.

We can see no logic in that approach. It is imperative that both questions are dealt with at the same time as one is integral to the other.

The discussion document acknowledges adverse privacy effects for directors as a result of information linking. The policy trade-off should be to provide directors with the means to protect their families.

Indeed, the idea of a residential address which is publicly declared is an anachronism in these days of professionalised directorship, electronic communication and a heightened regard for privacy and personal safety.

## A SOLUTION

- 6 We consider that any benefits from providing residential addresses will be achieved to equal effect if the information is filed with the Companies Office but not made public, as applies to the birthdate which must be provided but is not searchable.

While an address should be required to be shown on the register, it will be enough to show an address for service. It is this address which is relevant to the role of director.

**AUCKLAND**

23 Albert Street  
PO Box 2206, Auckland 1140  
New Zealand

T: +64 9 357 9000  
F: +64 9 357 9099

**WELLINGTON**

10 Customhouse Quay  
PO Box 993, Wellington 6140  
New Zealand

T: +64 4 499 5999  
F: +64 4 472 7111

**CHRISTCHURCH**

60 Cashel Street  
PO Box 2510, Christchurch 8140  
New Zealand

T: +64 3 353 4130  
F: +64 3 365 4587