



CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

2 August 2018

Business Law
Building, Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6140
via email: corporate.law@mbie.govt.nz

Dear Sir or Madam

Publication of Directors' Residential Addresses on the Companies Register

Chartered Accountants Australia and New Zealand welcomes the opportunity to provide a submission to the Ministry of Business, Innovation and Employment on the discussion paper - *Publication of Directors' Residential Addresses on the Companies Register*. We have focused our feedback on the key areas and questions where we consider we can add the most value to the consultation. Appendix A provides our detailed submission and Appendix B provides more information about Chartered Accountants Australia and New Zealand.

Key points

- We consider that the introduction of a Director Identification Number (DIN) is an opportune time to remove directors' residential addresses from the register.
- We note that the current inclusion of a director's residential address on the public register increases the risk of identity theft and may even lead to a personal security threat of a director. A business address, rather than a personal residential address, may be more appropriate to record on the public register.
- We support this option being available to all directors given some of the risks, such as identify theft apply to all directors.

Should you have any queries concerning the matters raised in the following questionnaire or wish to discuss them in further detail, please contact Karen McWilliams via email at

[REDACTED] or phone [REDACTED].

Yours sincerely

[REDACTED]

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Karen McWilliams FCA
Business Reform Leader

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Appendix A

General comments

We support the introduction of a Director Identification Number (DIN). A DIN would make it easier for stakeholders to identify the directors of a company and to identify other directorships an individual may have.

We agree that the introduction of a DIN is an opportune time to consider removing directors' residential addresses from the register. We note that the current inclusion of a director's residential address on the public register increases the risk of identity theft and may even lead to a personal security threat of a director. A business address, rather than a personal residential address, may be more appropriate to record on the public register.

We also consider the introduction of a DIN provides an opportunity to add appointers of nominee directors to the public register. As well as identifying the identity of the appointer, transparency of nominee directorships helps determine 'control' for reporting purposes or 'beneficial ownership' for AML/CTF purposes. On this basis we recommend such information also be required on the public register.

Questions

1. Do you have any comments of our assessment of the options for approaching directors' residential addresses on the Companies Register?

No, we consider the assessment covers the relevant points.

2. What is your preferred option?

We also prefer option 2. As we note in our general comments above, some of the risks, such as identify theft, apply to all directors, therefore we consider all directors should have the option to keep their residential address private.

3. Are there interested parties who may have a legitimate reason to need to access directors' residential addresses? If so, who?

As the paper notes in paragraph 75, there are some interested parties who may have a legitimate reason to access the directors' residential address. Whilst this list may not be exhaustive we consider it does cover the main expected parties.

4. Is there a public interest in directors' residential addresses being provided to third parties such as journalists?

We consider it unlikely that third parties such as journalists would meet the necessary criteria noted below to access their residential addresses

5. Under what circumstances should directors' residential addresses be released to an interested party?

The need for access should also be in relation to the director's official duties. Additionally, we support the proposed option in paragraph 74 that they would need to have been unable to contact the director through the published service address or be concerned that the correspondence is being intercepted.

We also consider it important to take into account in such determinations that most communication currently is via electronic means and correspondence via postal mail has significantly reduced as the primary means of communication between parties.

Appendix A

6. Do you agree that government departments and agencies should have automatic access to directors' residential addresses?

Yes

7. Should this access be limited to the enforcement of law or are there other situations where may be appropriate for government departments and agencies to have access to directors' residential addresses?

For other situations, we consider the government departments and agencies would need to have a legitimate need and that the circumstances noted in paragraph 74 apply.

8. Are there other factors which you think should be included in considering approaches to directors' residential addresses in historic documents?

No, we consider the paper covers the key factors.

9. Do you agree with our preferred approach to historic documents on the companies register?

Yes, we consider option A strikes an appropriate balance between the administrative burden and the safety of directors.

10. 10. Have you encountered situations where you consider that members of the public have abused this provision? If so, please provide details.

No

11. Do you agree that shareholders' residential addresses should be treated the same way as directors' residential addresses (ie replaced with an address for service)?

We support this proposal.

However, we recommend that this change is also extended to other officers of a company, where their residential address is required.

12. Are there circumstances where third parties might have a legitimate interest in the residential address of a shareholder?

Given that companies will still hold this information and, as noted, most communication is currently via electronic means, we are not aware of any circumstances where this might arise.

13. Do you think any changes need to be made to the residential address requirements for officers of other types of entities?

As noted in the paper, these addresses are not in an easily searchable format and there are no current concerns about them. Therefore, we do not consider further changes are needed at this stage. However, we recommend the Companies Office be receptive to such changes in the future should it become aware of specific concerns in relation to these registers.

Appendix B

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation professional accountants across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.