



News and Views Podcast Show

Presented by:

Sarah Power, Director of Business Concepts Group
Specialising in Financial Planning and Accounting

NV126: Director IDs and APRA lending Changes

In this episode, we discuss Director IDs and APRA lending Changes.

Key Dates:

- 1st Nov – Director IDs start
- 25th Nov – Elec lodgement of Sept. BAS due
- 21st Nov – monthly Oct BAS Due

Director IDs

- Starting from 1/11/21
- Director Identification Number - unique identifier to prevent fraud
- Current directors of Aus companies and any new need to apply for DIN
- All directors get a number once and keep forever
- If not used for 12 months it will be inactive. - then need to re-apply

Transition

- If director before 31st Oct - have till 30/11/22 to apply
- New directors 1/11/21 to 4/4/22 - apply within 28 days
- from 5/4/22 - apply before registering a company

Applying

- directors must do this themselves

MyGovID app

- docs to set up - TFN, ato address, info from 2 documents (ATO NOA, super, PAYG, bank account)
- Once this is set up - then login to ABRS and complete app form.
- Lodging by paper form - cert copies of 1 primary and 1 secondary doc
- Apply by phone - TFN, address, answers to 2 questions
1 primary 1 secondary doc

- If you don't apply in timeframe - civil or criminal penalties may apply

Make sure you know your deadline and apply in time

Apra changes 1/11/21

- In 12 months to 30/6 property prices have increased dramatically
- Sydney 19.3%
- Melbourne 15%
- Hobart 17.7%
- Aus 16.8%

Apra - make sure banks are lending to borrowers who can afford the debt

As a result - increasing buffer rate to assess borrowers 3% up from 2.5% (only applies to auth deposit-taking institutions)

Medium term risks to financial stability in banking is building over 1 in 5 new loans in June qtr were more than 6 times borrowers income. This is high Credit growth is expected to exceed household income.

Applies to all new borrowers.

Will reduce maximum borrowing capacity by around 5%.

Some significant changes to be aware of coming in at the start of November 2021. If director IDs apply to you, get onto it soon and don't wait until the deadline. If you are looking to borrow to buy a house, be aware of the changes from APRA and how it may effect the amount you will be able to borrow. We are always happy to discuss any of these issues further. If you would like to speak to us, contact us via our website www.buscgroup.com.au and contact us.