

# Corporate Secretarial Service: ASIC Annual Review

## What is the ASIC Annual Review?

Companies that are incorporated in Australia must comply with various regulatory and reporting requirements of the Australian and Securities Investments Commission (ASIC) and Corporations Law.

Each year, ASIC sends to each company an annual statement, within a few days of the company's annual review date. For most companies, the annual review date will be their date of registration or incorporation.

ASIC sends the company's statement to one of the following:

- online inbox if the company has registered to use ASIC's online lodgement systems
- the address of the registered agent if the company has appointed one
- the company's nominated mailing address, if not registered to use ASIC's online lodgement systems
- the company's registered offices, if none of the above apply.

## What needs to be done with the statement?

### 1 Check the company statement

The statement will contain information that ASIC's database contains about the company's:

- registered office
- principal place of business
- ultimate holding company
- officeholders
- company share structure
- members.

### 2 Change company details within 28 days if any changes

If company details have changed, the company must lodge changes with ASIC within 28 days of the company statement issue date. If the changes are not lodged within 28 days, a late review fee will be charged.

### 3 Pay invoice for annual review fee within 2 months

The company must pay the annual review fee shown on the invoice statement received with the company's annual statement. If the fee has been paid in advance, the annual review fee will be 'Nil'. If a fee is due, it must be paid regardless of the accuracy of the information shown in the company statement.

If a company does not pay a review fee that is owing within 2 months of the annual review date, a late payment fee will be charged.

Companies are required to pay the invoice direct to ASIC within two months of the annual review date. ASIC applies penalties for late payment.

The current ASIC fee is \$226.50 for proprietary companies. From 2011, annual ASIC fees will be indexed to the CPI. This means that the fees will go up in accordance with the inflation rate each year.

### 4 Pass a solvency resolution within 2 months

Company directors must pass a solvency resolution within 2 months after each review date, unless the company has lodged a financial report under Chapter 2M of the *Corporations Act 2001* with ASIC within the previous 12 months.

There are two types of solvency resolutions:

- **Positive solvency resolution**

This is passed when the directors have reason to believe that the company will be able to pay its debts as and when they become due and payable. The company must keep a copy of the solvency resolution, but does not need to send it to ASIC.

- **Negative solvency resolution**

This is passed when the directors have reason to believe that the company will not be able to pay its debts as and when they become due and payable.

**Directors are taken to have represented that their company is solvent if they have done all of the following:**

- Paid the company's review fee.
- Not lodged a Form 485 within 2 months and 7 days after the company's review date.
- Not lodged a financial report in the previous 12 months.

### Where does the Phillipsons Corporate Secretarial Service fit in?

As the Registered Agent of our corporate clients, Phillipsons does all the above work for you\*.

As part of the service, Phillipsons:

- reviews the annual statements to ensure consistency with company secretarial documents and those maintained by ASIC
- forwards the completed Annual Review to the company, together with the ASIC annual fee invoice and the Solvency Resolution for signature by the Directors
- lodges the signed and completed documents with ASIC
- sends out a courtesy reminder to the company to pay the ASIC invoice by the due date\*.

### How much does our service cost?

Phillipsons charges \$130 + GST per year for completing Annual Reviews.

\* **Please note that Phillipsons does not make fee payments to ASIC on behalf of companies. Companies are required to pay the invoice direct to ASIC within two months of the annual review date. ASIC applies penalties for late payment.**

### Contact us

For further clarification on the above or for information on how we can help you, please contact us:

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