



# Company Incorporation

## FACT SHEET

### Conducting Business in Australia

There are a number of important considerations when deciding how to enter the Australian market, or when establishing a business in Australia.

Depending on your business circumstances, you will generally need to choose between registering as a foreign company, or establishing a new subsidiary company in Australia.

### REGISTERING AS A FOREIGN COMPANY

Foreign companies must be registered to conduct business in Australia.

To do this, the company must have:

- A registered office in Australia where all communication and notices can be forwarded
- A person appointed as its Local Agent who is responsible for the doing of all acts, matters and things that the foreign company is required to do under the *Corporations Act 2001*
- An Australian Registered Body Number (ARBN)
- Its business name, ARBN, and country of origin displayed outside every office and place in Australia where its business is conducted

### ESTABLISHING AN AUSTRALIAN COMPANY

An Australian company is its own legal entity and can conduct business throughout Australia.

#### Your company name

There are certain stipulations that apply to naming a company. The company name cannot be identical to an existing registered name, and it can't contain words that could mislead people about your activities, for example, 'bank', 'trust' or 'royal'. Proposed company names that are considered offensive or suggest illegal activity are likely to be rejected.

#### Your company management

A proprietary company must appoint at least one Director and one Public Officer, both of whom must reside in Australia.

We generally recommend that the parent company appoint two representatives from their own Board to sit on the Board of the Australian subsidiary.

If the company decides to appoint a company secretary, this person must also reside in Australia.

#### Other required details

**The ultimate holding company** – These details are required (if applicable), and they may be different from the single shareholder

**The shareholder** – The parent company is usually the single shareholder of the subsidiary company

**The number of shares** – We generally recommend 100 shares at A\$1 each

*Acclime Australia can prepare and lodge all documents to incorporate a proprietary limited liability (Pty Ltd) company with the Australian Securities & Investments Commission (ASIC).*



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*We can also prepare the company's official Corporate Register, which is maintained in the Registered Office, including the Company Constitution, Share Registers and Certificates. Once your company is incorporated, ASIC will issue a Certificate of Registration and an Australian Company Number (ACN).*

## Before you can Commence Trading

Once you have established a new Australian company, or registered as a foreign company, you will need an Australian Business Number (ABN) in order to commence trading.

An ABN is a unique 11-digit identification number that enables businesses in Australia to deal with a range of government departments and agencies.

Having an ABN will avoid payers withholding 46.5% tax from your payments. Your ABN must be displayed on your invoices.

## OTHER REGISTRATIONS

Australian companies must also action the following requirements in order to commence trading:

- Open a business bank account with a bank that is licensed to operate in Australia
- Register for the Goods and Services Tax (GST) if your GST turnover meets or exceeds the registration turnover threshold of A\$75,000
- Register for a company Tax File Number (TFN). This is a distinctive number issued by the Australian Taxation Office (ATO) to help manage tax and other government services. You apply for the TFN at the same time as you apply for the ABN
- Register for Pay as You Go (PAYG) Withholding if you are intending to employ staff

*After an ACN has been issued, Acclime Australia can make an official application to the Australian Taxation Office (ATO) for an Australian Business Number (ABN).*

*Acclime Australia can apply for your company's registration for Goods & Services Tax (GST), and also your Tax File Number (TFN).*

## Business Banking

To operate as an Australian company, for taxation purposes it is essential to have a bank account that is branched in Australia.

Australia's big four banks generally provide the most comprehensive business banking services, and have the most extensive branch and ATM networks in Australia. Depending on the size of your business, each bank offers a range of banking options, and they can also provide additional banking services, including:

- Higher daily payment limits
- Co-signatory authorisation
- Greater security (via security devices)
- Linking the account to interest-bearing products
- Integration with major accounting platforms, such as Xero

*Acclime Australia has found the National Australia Bank (NAB) to be the most efficient bank at handling the needs of offshore clients.*

## DOCUMENTS REQUIRED TO OPEN A BUSINESS BANK ACCOUNT

### Identification documents

Australian banks use a points system for required documentation. You must provide hard copies of identification that total up to 100 points for each director, and for all signatories (authorisers) of the bank account.

Identification documents and their respective points include:

- Passport (70 points)
- Driver's licence (40 points)
- ID card (40 points)

### Signatories and other documentation

- Account Application, signed by two directors
- Account Signatories, signed by all signatories (authorisers) to the account

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Bank account signatories are generally appointed in line with the parent company delegations policy.

Many companies also include their Acclime Australia Director as a signatory on the account. This makes accessibility for contact by the bank easier, if required. Transactions are not effected without the approval of the parent company.

## TRANSFERRING FUNDS TO YOUR AUSTRALIAN SUBSIDIARY

Each of the big four banks can process large transactions coming into an Australian dollar business bank account, either in Australian dollars or in a foreign currency, that will attract:

- A foreign transaction fee
- A foreign exchange conversion, that can be favourable or negative depending on the bank's current daily retail FX rate

If large transactions are expected frequently, the big four banks also offer the option of a foreign currency account, which may provide better currency conversion rates.

*Acclime Australia can facilitate the opening of your business account to suit the needs of your Australian subsidiary. We can manage all procedures related to the initial account opening, including the deposits of funds and the coordination of verification procedures for offshore directors and signatories. We can also facilitate the opening of additional bank accounts in other currencies (i.e. USD), and ensure that your internal control requirements are met regarding online approvals of transactions.*

## Part of the Acclime family.

Acclime Australia is a part of the Acclime Group – an Asia-focused premier corporate services specialist. Our regional network of grass-roots experts is pushing the corporate services sector with bold, innovative solutions that are seamlessly delivered to the highest global standards.

We know how to navigate the complexities and challenges of Australia's and Asia's regulatory environments to ensure your business expansion and operation is compliant and seamless. From establishing a virtual company, to a fully operational local presence, we'll help you make the most of every incentive and every benefit this unique market has to offer.

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