

## Registered Office: More than a Mailbox

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Accountants and lawyers rarely think twice about agreeing to act as the registered office for clients – perhaps they should!

The <u>Corporations Act</u> provides that a company must have a registered office in Australia, a place where official documents, communications or notices to the company may be sent or left by way of service. If a company does not occupy the registered office then the company must have the actual occupier's written consent to the company's use of those premises as its registered office.

It is not uncommon for accountants and lawyers to consent to the company's registered office being located at their offices.

Whilst the directors of the company are primarily responsible for all matters relating to the registered office, what responsibilities do the accountants and lawyers have if they agree to the use of their premises as the company's registered office?

By consenting to permit premises to be used as a company's registered office, accountants and lawyers assume a contractual duty to the company to notify and furnish, in a timely manner, the company with:-

- details of the date and time of receipt at the registered office of any document; and
- a copy of the documents served on the registered office.

A failure to do so can have serious consequences for the company and potentially the accountant and lawyer as:-

- failure to notify the company of receipt of a Statutory Demand can at best result in a deemed insolvency of the company and at worst, the winding up of the company; and
- failure to notify the company of ASIC notices of outstanding annual charges can at best result in late fees and penalties and at worst, deregistration by ASIC.

## **Practice Tip**

Is your premises offered as the registered office for company clients?

To minimise the risk of liability, it is recommended that you:-

- undertake a review of the clients for whom you have consented to allow your premises to be used as its registered office;
- review your terms of engagement (if any) to ensure that where appropriate,

- responsibility for matters concerning the registered office remain the responsibility of the directors of the company; and
- review your internal procedure and staff training for dealing with receipt of official documents, communications and notices to ensure they are notified and furnished to the company in a timely manner.

## A Case Study: Reinstatement of a Deregistered Company

Our next article on this topic will be published next month, highlighting the importance of ensuring that ASIC notifications for outstanding annual charges are communicated to a client company to avoid deregistration.

We will address both administrative and court ordered reinstatement of companies and the potential liability of accountants and lawyers for the consequences of failing to promptly notify clients of documents received at the Registered Office.

If you would like to discuss this article further please contact:

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