

ASIC Company Yearly Cost: How much will it cost to run a company

What Are The Yearly ASIC Fees To Run My Company? Your company is deemed to exist on the day you are issued a certificate of registration from the Australian Securities and Investments Commission (ASIC). After your company is registered, you will still have to maintain appropriate records, submit documents and pay fees every year to the ASIC to keep it registered.

In order to keep on top of the requirements, your company will need to assign an officer to handle its regular obligations to ASIC in order to avoid penalties and sanctions by the government. The following are documents and fees that your company must prepare, submit and pay to ASIC yearly:

1. Annual Review Fee.

All companies registered with ASIC are required to pay this amount, whether or not the details appearing in the Company Statement are correct. For proprietary companies, the annual review fee is \$212. The payment of the annual review fee may be paid in advance; otherwise, it is due within two months from the annual review date which coincides with the anniversary date of the registration of your company. To verify this date, you can log on to ASIC's National Names Index and use your Australian Company Number (ACN) as reference.

Late Payment Fee.

If your company does not pay the annual review fee on time, it will have to pay a late payment fee of \$65, on top of the annual review fee. For payments made more than one month after the due date, your company will have to pay the late payment fee of \$270 plus the annual review fee of \$212.

2. Lodgement of Changes.

A few days before the anniversary of the incorporation of your company, ASIC will send you an Annual Statement which will consist of a cover letter, your Company Statement and an Invoice for the collection of the annual review fee.

The company statement is a document showing the current details of your company as they appear in the ASIC database. ASIC deems it of the utmost important to maintain accurate and complete records for all the companies under its jurisdiction. Thus, ASIC will send you your company statement annually for you to examine and verify.

If there are no changes in your company statement, all you have to do is pay the Annual Review Fee. If your company needs to report changes in the details appearing in its company statement, then you should complete and submit to the ASIC a Form No. 484 with the updated information.

The lodgement of Form 484 must be made within twenty eight (28) days from the date of the issuance of your company statement. If it is filed on time, your company will not have to pay for its lodgement. If Form 484 is lodged within a month from the time it is due, then your company will have to pay a Late Review Fee of \$65, in addition to the annual review fee. If it is filed more than a month after its due date, then your company will have to pay a late review fee of \$270.

If both the annual review fee and the lodgement of the updated company statement are in delay, then your company may have to pay:

Annual Review Fee + Late Payment Fee + Late Review Fee

You should ensure the timely payment of the annual review fee and the lodgement of any changes in your company statement. If the annual company statement does not reach you within a few days from your company's annual review date, then it is best to contact ASIC immediately about it.

3. Solvency Resolution.

In addition to the payment of the Annual Review Fee, ASIC requires the directors of all companies to pass a solvency resolution yearly. A solvency resolution may be positive or negative. A positive resolution is passed if the directors believe that the company's assets are sufficient to meet all its obligations as they fall due.

In such a case, there is no need to submit a copy of the resolution to ASIC as the mere payment of the annual review fee is a presumption of the passage of a positive solvency resolution. On the other hand, if the directors pass a negative solvency resolution, it means that the board is of the opinion that the assets of the company are not sufficient to meet all of its obligations when they fall due.

In this situation, your company must complete and submit Form 485 which is the Statement in relation to company solvency to ASIC. The solvency resolution, whether positive or negative, must be passed within two (2) months from the annual review date. And Form 485 must be lodged with ASIC within seven (7) days from the passage of the negative solvency resolution. If your company does not pass a solvency resolution, then it must still lodge Form 485 with the ASIC within in two (2) months and seven (7) days from the annual review date.

4. Copy of audited financial statements and reports.

If your company is required to submit audited financial statements annually then you must lodge Form 388 "Copy of Financial Statements and Reports" together with your company's audited statements within three months from the end of the financial year with ASIC.

While no fee is prescribed for lodgement of these reports, your company may still be subjected to a late lodgement fee if the required form and reports are lodged more than three months from the end of your company's financial year.

5. Notification of changes in company details.

Aside from the modifications made to the annual company statement, your company is required to disclose periodically any change or changes in the details of your company within twenty eight (28) days from the occurrence of such changes. This obligation to disclose changes in your company's details subsists all year round. Examples of details that may change in the meantime are your company's office address, names of shareholders, names of directors and their addresses. Failure to lodge the appropriate ASIC form showing such changes may subject your company to a late lodgement fee.

ASIC has a number of prescribed forms for other corporate actions that are only lodged when necessary. These forms are not annual requirements. While some of these lodgements may not have any filing fees, you may still have to pay late lodgement fees to the ASIC if you submit any of these documents beyond the required period. You can get more information about ASIC and other regulations on the Companies Now website at www.companiesnow.com.au