



Director Penalty Notices

Under corporations and taxation regulations, directors are responsible for ensuring that their company meets its Pay As You Go (PAYG) withholding and Superannuation Guarantee Contribution (SGC) obligations.

If a company fails to pay its PAYG or SGC liabilities by the due dates, the directors automatically become personally liable for the unpaid taxes/charges.

In order to start legal proceedings to recover PAYG or SGC liabilities from a director, the ATO will issue a Director Penalty Notice (DPN).

Legal proceedings can be prevented if one of the following occurs within 21 days of a DPN being issued:

- the company is placed into Voluntary Administration; or
- the company is placed into liquidation; and (in either case);

- the company's PAYG and SGC liabilities have been reported to the ATO within 3 months of their due dates.

The directors' personal liability can be extinguished at any time if the company pays the outstanding liabilities.

There are statutory defences that may be available to directors and special provisions for newly appointed directors.

Note:

Penalty notices can be issued to a company's registered tax agent. If this occurs, a director cannot rely on the argument that they did not receive a DPN. The notice will be deemed to have been received by the company's directors (via the tax agent).

Regardless of the option taken – immediate response to a DPN will demonstrate concerted effort to remedy the situation and may mitigate/extinguish the personal liability of the director for the DPN penalty.

The team at Bentleys offer timely and commercial advice to businesses in distress. We have a systematic methodology that will maximise the outcomes for you, your employees and your stakeholders.

Let Bentleys' experts work with your business to identify the best solution for you.

“My dealings with the Bentleys Corporate Recovery team have all been great.

They provide knowledgeable and practical advice and are highly approachable.”

Bentleys Client

Supporting you and your business

With expertise in turnaround management, divestment, corporate finance, restructuring and insolvency, we deliver solutions that help our clients get where they want to be.

Why Bentleys?

- Our professional and qualified team have a background working with all business types across a range of industries.
- We offer solutions built on expertise – both in Australia and across the globe. We know the questions to ask and what to look for to tailor solutions to your business.
- We are agile and have a robust approach. We focus on getting the job done, on time and on budget.
- You will benefit from a “one stop-shop” solution. Our national team means that you have ready access to the broad spectrum of business and financial expertise.

Ranked 12 in Australia's Top 100 Accounting Firms by the AFR, Bentleys offers:

- a highly commercial approach, with a focus on delivering timely outcomes within budget;
- end-to-end business solutions, providing compliance, strategic and practical support for your business;
- immediate access to a broad range of specialist advisors to support modern business needs;
- learning opportunities, including options to receive regular articles, event invitations, and subscribe to our magazine **Thinking Ahead** and our business program **Aspire**;
- personal, friendly service, with partners who are easily accessible and who take responsibility for successful working relationships;
- local expertise, national presence and international capability.

The Bentleys Network

Bentleys is an international network of advisory and accounting firms, with more than 700 talented staff delivering solutions from 18 locations across Australia, New Zealand and China.

We work with aspirational businesses and entrepreneurial people to help them get where they want to be.

As essential advisors, we provide the future thinking, strategic direction and practical support to help strengthen businesses.

Our multi-disciplinary team work with SMEs, family businesses, listed entities, professionals, individuals and government.

We are industry-aligned with expanding specialist skills in our core industries which include agribusiness, health and ageing, family business and SMEs, government and education.

Contact us. We can help you prepare for tomorrow.

Where you want to be.

As essential advisors - we provide future thinking, strategic direction and practical support.



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