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Part 1 : Establish a local subsidiary company in Australia (Company registration)

If foreign companies wish to establish their business presence in Australia, the common structures for setting up business in Australia are a “subsidiary company”, “branch office”, “representative office” or “joint venture with local company”.

Currently, subsidiary company (proprietary limited) is the most common. Therefore, we briefly explain the company registration process for establishing the subsidiary company (proprietary limited).

1. Company name

The following ASIC (Australian Securities and Investments Commission) website is useful to check whether a company name is available for registration in Australia. This online search is free of charge.

https://connectonline.asic.gov.au/RegistrySearch/faces/landing/bn/SearchBnRegisters.jspx?_adf.ctrl-state=1carj2cyiq_31

Choose "Check Business Name Availability" from the pull-down menu of "Search within" and insert the preferred company name to confirm whether a similar company name already exists. If the name does not already exist, it should be possible to register it.

2. Director, Secretary and Shareholder

In Australia, company registration is relatively easy. However, there is a big gap between the seriousness of the director’s responsibility and ease of company registration. In fact, there are many court cases which hold director’s responsible for illegal activities or failing to meet their director’s responsibility.

It is very important to appoint the right person (as a director) who fully understands their director's responsibilities and can carry them out properly.

To register the company in Australia, at least one resident director will be required. This is sometimes the most difficult requirement for a foreign company which has not previously conducted any business in Australia. Shareholders, however, do not need to be an Australian resident.

Each of the name, address, date of birth and place of birth (in the case of Japan, only prefecture name and city name are required) of each director, secretary and shareholder needs to be registered. (It is not mandatory to appoint and register a secretary.)

3. Company address (registered office address and principal place of business)

When a company is set up, it is required to have a registered office. (If your company doesn't occupy the same address as the registered office, then you must have written consent from the person who occupies the registered office.)

The Principal place of business needs to be in Australia as well.

4. Shares

The details of first time shares issued (the number of shares issued, type and amount to be paid) must be notified at the time of the company registration.

If you want to minimise the number of shares issued but still want some flexibility for the future, "100 ordinary \$1 shares upon incorporation" is one of the options which allows the possibility for your business to expand and enable shares to be transferred to new or additional shareholders in the future.

The cost of company registration to ASIC is \$495 as of December 2019.

<http://asic.gov.au/regulatory-resources/forms/forms-folder/201-application-for-registration-as-an-australian-company/>

However, it is desirable to ask a professional to register the company because it is faster and more reliable.

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