

## ATO Director Penalty Notices (DPN)

### Is personal liability avoidable?

1. It is a Directors responsibility to ensure tax obligations are paid by the due date



3. Tax obligations MUST be notified within certain timeframes for removal of personal liability to remain an option.



5. If the company does not pay the debt the ATO may notify you that you are personally liable (DPN)



6. If the DPN is in relation to SGC that was reported late and/or PAYG and GST that was reported more than 3 months after the due date, the penalty is **locked down**.



The options depend whether the company lodged tax notices late and/or the period of time they were overdue



No option to remove personal liability.

2. A Director is personally liable for company debts as soon as they are overdue, however steps can be taken to remove the liability if action is taken promptly



4. The ATO will actively pursue debt prior to issuing a DPN. It is important to engage in this conversation.



7. If the DPN is in relation to SGC that was reported on time and/or PAYG & GST that was reported on time or within 3 months of the due date, the penalty is **NOT locked down**. You have 21 days to remove personal liability



## Deloitte Financial Advisory

### Director support required



#### Options

Review DPN to determine type of DPN, options and time available. This may include negotiations with the ATO



#### Defences

Determine any defences available



#### Impact on business

Review risks associated to your business



#### Cashflow support

Provide necessary advice and strategies

It's **crucial to act fast** (within 21 days) once issued with a DPN.

Deloitte's Turnaround & Restructuring team combines expertise across the firm to deliver valuable corporate restructuring and insolvency advice.

We have a proven track record in both informal and formal restructuring nationally.

***Please refer to our contacts page to discuss your support options.***

# Key contacts

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