

What Is the Difference Between ABN and ACN?

If you're a business owner or dealing with a service provider in Australia, you may have come across the terms ABN and ACN. But what do these stand for, and why are they important? This quick guide will give you a clear understanding of the difference between ABN and ACN, and how they impact your business. As a solicitor and construction lawyer with over 10 years of experience in advising homeowners and builders in NSW, I will provide you with valuable insights on ABN and ACN.

ABN vs. ACN

ABN and ACN are both identification numbers issued in Australia for businesses and companies.

What is ABN?

An ABN or Australian Business Number is an eleven-digit identifier number that all businesses must have, regardless of their business structure. It serves as an identification card and is commonly used in commercial transactions and dealings with the Australian Taxation Office (ATO).

If you want to check if the business or entity you are dealing with is legitimate, you may look up the business name or their ABN through this [link](#).

What is ACN?

ACN or Australian Company Number is a nine-digit identifier number that is only given to businesses registered as companies. A company is a separate legal entity from its owners and is managed by directors. Having an ABN and ACN is important for businesses and companies as it legitimises their operations and ensures that they are dealing with legitimate entities as well. These identification numbers are used in commercial transactions and dealings with the ATO. The ASIC register and ABN lookup can be used to verify a business or entity's legitimacy.

A company that does commercial transactions or any other business activities will have both ABN and ACN. You may look up any ACN through the [ABN lookup](#) or through the [ASIC register](#).

Registering for an ABN

To register for an ABN, you can apply online through the Australian Business Register (ABR) website free of charge. However, if you need assistance in the process, you can hire a registered tax agent or a business activity statements (BAS) agent for a certain fee.

As a general requirement, you will need to provide your:

- Name, date of birth, email address, and Tax File Number (TFN)

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- The physical address of your business
- The business structure you plan to adopt, whether as a sole trader, partnership, company, or trust

It is important to note that certain business structures such as partnerships, companies, and trusts require an ABN. Registering for an ABN has several benefits such as being able to register for Goods and Services Tax (GST) and payroll tax. Moreover, it enables businesses to identify themselves to the government and other businesses through the use of their ABN.

Before engaging in business transactions with a particular entity, it is essential to check its legitimacy by looking up their ABN through the ABN lookup or the ABR website. The process of registering for an ABN is generally quick, and once your application is assessed by the ATO, you should receive your ABN within 24-48 hours.

Registering for an ACN

If you plan to set up a company in Australia, registering for an ACN is a requirement. Here is a step-by-step guide on how to register for an ACN:

1. Choose your company name and check its availability on the ASIC Connect website.
2. Reserve the name of your company using the ASIC Connect website. The reservation will last for two months.
3. Register your company online using the [Business Registration Service](#) of the Australian Government or with the assistance of a private entity such as a lawyer, accountant or other businesses assisting with ASIC applications.
4. Pay the registration fee and provide the necessary information for the company registration.
5. Obtain your ACN from ASIC.

A company is a business structure that has a separate juridical personality from its owner's natural personality. It is usually owned by a group of people called shareholders and is managed by directors. One of the benefits of registering a company and obtaining an ACN is the limited liability for directors and shareholders. This means that the personal assets of the directors and shareholders are separate from the assets of the company, protecting them from financial and legal liabilities that the company may face.

The Australian Securities and Investments Commission (ASIC) is the regulatory agency responsible for overseeing and enforcing company and financial services laws in Australia. It is also responsible for issuing ACNs to registered companies. ASIC's role is to ensure that companies comply with their legal obligations and that they act in the best interests of their shareholders and the public.

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Registering for ABN and ACN in Australia: Ensuring Business Success

Having an ABN and ACN is crucial for businesses in Australia. An ABN is a unique identifier for all businesses, while an ACN is specific to companies. These identification numbers are necessary for commercial transactions and dealings with the ATO.

Registering for an ABN or ACN allows businesses to register for GST and payroll tax, and for companies, it offers limited liability for directors and shareholders. These are also very useful in dealing with clients, especially when it comes to [debt recovery](#) or even [building disputes](#). It is important that you get an ABN or ACN from any entity you transact and do business with.

Seeking legal assistance from professionals like [Contracts Specialist](#) can ensure proper business structuring and contract review. Register your business today and seek legal advice to ensure your success.

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