BRIS GROUP

AUSTRALIA

COMPANY FORMATION

CLIENT GUIDE 2026

Pty Ltd formation, foreign ownership, tax benefits and annual compliance

Professional company formation and ongoing corporate administration

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Australian Proprietary Company (Pty Ltd) at a Glance

For most international entrepreneurs establishing an Australian subsidiary or operating company, the standard structure is a **proprietary company limited by shares (Pty Ltd)** registered with the Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001. It is a separate Australian legal entity and can be foreign-owned, but Australian incorporation has important director-residency and tax consequences.

Topic	Current position
Foreign ownership	A proprietary company may have foreign shareholders. ASIC's registration process expressly accommodates an ultimate holding company incorporated outside Australia.
Shareholder	At least one member/shareholder and at least one issued share are required. A proprietary company is generally limited to 50 non-employee shareholders.
Director	At least one director is required and **at least one director must ordinarily reside in Australia**. Directors must be individuals aged 18 or over.
Director ID	Directors must obtain a Director Identification Number (director ID) under the Australian director-ID regime.
Secretary	A proprietary company does not have to appoint a company secretary. If it does, at least one secretary must ordinarily reside in Australia.
Registered office	An Australian registered office address is required. Written consent is needed if the premises are occupied by another person.
Tax residence	A company incorporated in Australia is an Australian resident for domestic income-tax purposes; this is crucial when considering foreign income.

Key Benefits for International Clients

- 100% foreign share ownership is generally possible for an ordinary Pty Ltd, subject to Australia's foreign-investment rules where applicable.
- A single shareholder is sufficient and the shareholder may be a non-resident individual or foreign corporate entity.
- Only one resident director is required for an ordinary proprietary company; additional directors may be non-resident.
- No statutory requirement to appoint a secretary for a Pty Ltd.
- No general high minimum share capital: ASIC requires at least one share to be issued, and the registration records the amount paid/unpaid on issued shares.
- Registration creates one Australian company capable of carrying on business throughout Australia without separate company incorporation in each state/territory.
- Replaceable rules under the Corporations Act can govern many proprietary companies without a bespoke constitution, although a constitution may be adopted.
- Australia's treaty network, franking system, conduit foreign income rules and exemptions for certain foreign business income can provide significant international tax benefits when the statutory conditions are satisfied.

Incorporation Requirements

Topic	Current position
Company name	Choose an available name or use the company's Australian Company Number (ACN) as its name in the manner permitted by the Corporations Act/ASIC process.
Officeholders	Provide each director's full name, date/place of birth and residential address; obtain written consent before appointment.
Resident director	At least one director must ordinarily reside in Australia at all times.
Shareholders	Provide member details, share class, number of shares and amounts paid/unpaid. At least one share must be issued.
Registered office	Provide a physical Australian registered office and occupier consent where the company does not occupy the premises.
Principal place of business	Provide the principal Australian business address if applicable.
Ultimate holding company	If applicable, disclose the ultimate holding company's name, identifiers and country of incorporation.
Governance	Choose the Corporations Act replaceable rules, a constitution, or a combination where permitted.

Share Capital

An Australian proprietary company limited by shares must issue at least one share. ASIC records the class, number and the amounts paid and unpaid on issued shares. Ordinary shares are the most common class, but other classes can be created with appropriate rights.

No large minimum paid-up capital requirement

For a standard Pty Ltd there is no general statutory requirement to deposit a large minimum capital amount before registration. The company can be formed with a modest issued share capital, provided at least one share is issued and the paid/unpaid amount is correctly recorded. The capital should nevertheless be commercially appropriate and properly documented.

Documents & Information Required from the Client

- Certified passport or government-issued ID for shareholders, non-resident directors and ultimate beneficial owners for BRIS Group/provider KYC.
- Recent proof of residential address.
- Full director details, including date and place of birth, residential address and director ID status.
- Details of the Australian resident director.
- Shareholder/member details and proposed share allocation.
- Proposed company name(s), or instructions concerning ACN-based naming.
- Australian registered office and principal place of business details.
- Detailed description of intended activities, countries of operation and expected turnover.
- For a corporate shareholder/ultimate holding company: incorporation, ownership, management and UBO documentation.
- Source-of-funds/source-of-wealth evidence where required by professional or banking due diligence.

Formation Process & Documents Received

1. Structure/KYC review **2.** Director/residency check **3.** Name/share structure **4.** ASIC registration **5.** Corporate registers **6.** ABN/TFN/GST setup as required

Typical corporate file: ASIC Certificate of Registration showing the ACN; company constitution where adopted; initial director/member resolutions; register of members/share register; share certificate(s); consents to act; registered-office consent where applicable; and statutory company records. ABN, TFN, GST/PAYG registrations and business-name registration are separate registrations arranged where required.

Taxation - Critical Rule for a Non-Resident Owner

An Australian Pty Ltd is NOT generally 0% tax merely because its owner and customers are overseas

Under the Income Tax Assessment Act, a company incorporated in Australia is an **Australian tax resident**. The ATO states that Australian residents are taxed on worldwide income. Therefore, unlike Panama or some territorial/offshore jurisdictions, an Australian-incorporated Pty Ltd normally cannot obtain 0% Australian company tax simply by having non-resident shareholders, foreign management or foreign customers.

This distinction is essential for clients. The tax benefits available to an Australian company are specific statutory exemptions, concessions, offsets and international rules rather than a blanket foreign-source-income exemption.

Important International Tax Benefits

Topic	Current position
Foreign branch / permanent establishment income	ATO guidance confirms that certain foreign business profits and gains derived by an Australian-resident company through a foreign permanent establishment may be **non-assessable non-exempt (NANE)** income under section 23AH, where the statutory conditions are met.
Foreign participation dividends	Certain dividends received by an Australian resident company from a non-portfolio foreign corporate interest (generally involving at least a 10% participation interest under the applicable rules) can be NANE income.
Foreign participation gains	Certain capital gains/losses on disposal of interests in foreign companies with underlying active businesses may be disregarded or reduced under the participation exemption rules.
Foreign tax offset	Where foreign income is taxable in Australia and foreign tax has been paid, a foreign income tax offset may relieve double taxation, subject to the statutory rules.

Topic	Current position
Conduit foreign income	Foreign income flowing through an Australian resident company can, where the statutory CFI rules are satisfied and the amount is properly declared, be distributed to a non-resident shareholder without Australian dividend withholding tax.
Franked dividends to non-residents	The ATO states that the franked component of dividends paid to a non-resident is not subject to Australian income or dividend withholding tax. Non-residents cannot use/refund the franking credits.
Tax treaties	Australia's double-tax agreements can reduce withholding rates and allocate taxing rights for cross-border income, subject to residence, beneficial ownership and anti-avoidance conditions.

Potential 0% treatment exists - but only for qualifying categories

For example, qualifying foreign branch profits may be NANE in Australia, and qualifying conduit foreign income can be distributed to a non-resident shareholder free of Australian dividend withholding tax. These are valuable international benefits, but they depend on the exact statutory conditions and should not be described as a general 'offshore 0% company tax' regime.

Company Tax Rates

Australian resident companies calculate taxable income under the Income Tax Assessment Acts. The applicable company tax rate depends on the company's circumstances, including whether it qualifies as a base rate entity. BRIS Group will have the current rate confirmed for the relevant income year rather than hard-coding a rate into a long-term client quotation.

GST is a separate consumption-tax regime. A business must consider ABN/GST registration and whether supplies are connected with Australia; not every foreign transaction is subject to Australian GST.

Accounting & Financial Records

The Corporations Act requires companies to keep written financial records that correctly record and explain their transactions and financial position/performance and enable true and fair financial statements to be prepared and audited. Tax legislation imposes additional record-keeping requirements.

Topic	Current position
Financial records	Maintain accounting records, bank statements, invoices, contracts, payroll/tax documents and supporting evidence.
Company registers	Maintain the register of members and other statutory corporate records.
Small proprietary company	A small proprietary company is not automatically required to lodge an audited annual financial report with ASIC merely because it exists; however, statutory exceptions apply.
Foreign-controlled company	Foreign control is important. A small proprietary company controlled by a foreign company can have additional financial-reporting obligations unless an exemption/relief applies.
Large proprietary company	Large proprietary companies must prepare and lodge annual financial reports under Chapter 2M, subject to the applicable law/relief.
ATO reporting	An Australian resident company generally has Australian income-tax reporting obligations even where much of its business is international.

Foreign-owned does not mean 'no accounts'

Every Australian company must maintain proper financial records. Whether financial statements must also be prepared, audited and lodged with ASIC depends on the company's size, control and other Chapter 2M circumstances.

ASIC Annual Review & Ongoing Compliance

ASIC sends an annual statement shortly after the anniversary of registration. To remain compliant, the company must pay the annual review fee, check/update its registered particulars and pass the required solvency resolution.

Topic	Current position
ASIC annual review fee	ASIC indexes company fees each 1 July. The current fee shown on the annual statement must be paid by the due date; BRIS Group will quote/reconfirm the current amount at renewal.
Annual statement	Review addresses, officeholders, share structure and members and notify ASIC of required changes.
Solvency resolution	Directors must pass and keep the required solvency resolution within the statutory period unless the relevant exception applies.

Topic	Current position
Resident director	Maintain at least one director who ordinarily resides in Australia.
Registered office	Maintain the Australian registered office and required occupier consent.
Director ID	Ensure each director has complied with director-ID requirements.
Tax / ABN / GST	Maintain ATO registrations and lodge company tax, GST/BAS, PAYG and other returns that apply.
Corporate records	Keep member/share records, consents, resolutions and financial records current.

Foreign Investment Review - Important for Non-Residents

Foreign ownership of an Australian company is generally possible, but the acquisition of Australian businesses, land and certain sensitive assets can fall within Australia's foreign-investment framework. Depending on the investor, asset, sector, value and transaction, notification or approval may be required before the investment proceeds.

Company registration is not FIRB approval

ASIC registration of a foreign-owned Pty Ltd does not itself approve a later acquisition of Australian real estate, a sensitive business or another transaction regulated under Australia's foreign-investment legislation. These must be assessed separately.

Privacy & Public Register

Australia is not a confidentiality/offshore jurisdiction. ASIC maintains a public corporate register containing company particulars and officeholder information available through ASIC register products. Client structures should therefore be designed on the basis of lawful transparency rather than anonymity. BRIS Group/provider KYC also requires identification of ultimate beneficial owners.

How BRIS Group Supports You

Pre-formation review - Review ownership, activities, resident-director requirements and suitability of an Australian Pty Ltd.

Company formation - Coordinate ASIC registration, company name, share structure and corporate documentation.

Resident-director coordination - Coordinate an appropriate resident-director solution where separately available and subject to enhanced due diligence/contractual terms.

ABN / tax registrations - Coordinate ABN, TFN, GST and other registrations with Australian professionals where required.

Corporate administration - Assist with ASIC changes, shares, directors, registered office and company registers.

Annual maintenance - Coordinate ASIC annual review, registered-office support and corporate compliance.

Accounting / tax coordination - Arrange Australian accounting and tax support, including international tax analysis.

Documents - Arrange ASIC extracts, certified corporate documents and apostille/notarial services where required.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Australian company incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, ASIC government fees, Australian registered-office/resident-director services, accounting/tax services, ABN/GST registrations and optional services are quoted separately. Clients may request a tailored quotation based on the proposed ownership, activity and service requirements.

Client Preparation Checklist

- ■ Three proposed company names (or instructions regarding ACN-based naming).
- ■ Detailed description of intended Australian and international activities.
- ■ Shareholder names, ownership percentages and ultimate beneficial owners.
- ■ Proposed directors and details of the required Australian resident director.
- ■ Director ID status for each proposed director.
- ■ Passport and proof of address for relevant individuals.

- Proposed issued share capital and share allocation.
- Australian registered-office / principal-place-of-business requirements.
- Foreign corporate shareholder / ultimate holding company documents, if applicable.
- Expected turnover, banking, payroll, GST and transaction profile.
- Details of overseas branches/subsidiaries or foreign permanent establishments where international tax exemptions may be relevant.
- Any proposed acquisition of Australian land/business requiring foreign-investment review.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Australian legal, tax, accounting, foreign-investment or financial advice. Australia is not an offshore or territorial-tax company jurisdiction. An Australian-incorporated company is generally an Australian tax resident and normally subject to tax on worldwide income, but important statutory exemptions and international tax benefits can apply to qualifying foreign business income, participations and distributions.

Primary official sources reviewed: Corporations Act 2001, including ss 201A-201D and Chapter 2M; current ASIC company-registration, share-structure, annual-review and financial-reporting guidance; Income Tax Assessment Act 1936 and Income Tax Assessment Act 1997; ATO guidance on company residence, doing business overseas, foreign permanent establishments, participation exemptions, foreign tax offsets, conduit foreign income and dividends to non-resident shareholders; Australian Business Register/ATO registration framework; and Australia's foreign-investment framework.

Information reviewed: August 2026. ASIC fees are indexed annually and tax thresholds/rates can change; current amounts and client-specific tax treatment will be reconfirmed before incorporation and at renewal.

PREPARED BY BRIS GROUP

Australia Company Formation - Client Guide 2026

Professional incorporation and corporate administration for international clients.