



## WHAT IS AN ULTIMATE HOLDING COMPANY?

A company must advise ASIC of its Ultimate Holding Company if it has one. It is not necessary to have an Ultimate Holding Company.

It is a matter of public interest and record that this information is available so that persons dealing with a company can know where the “control” ultimately lies. Control does not always mean ownership or shareholding but can be exercised by other means. Therefore, the meaning of “Ultimate Holding Company” focuses on the ultimate controller of a company. An Ultimate Holding Company must be the holding company of another and must not be a subsidiary of any other company.

What this means is that one company can control another company (for example by exercising voting powers or controlling the composition of the company’s board of directors). Control may be exerted by interposed companies and therefore does not rely on a “holding company” directly holding shares in the company.

The simplest examples of these concepts are:

1. if all of company A’s shares are held beneficially by individuals, it is unlikely that the company will have an Ultimate Holding Company.
2. if all of company A’s shares are held by company B whose shares are all held beneficially by individuals, it is likely that company B will be company A’s Ultimate Holding Company.
3. if all of company A’s shares are held by company B whose shares are all held by company C whose shares are all held beneficially by individuals, it is likely that company C will be company A’s Ultimate Holding Company.

You should contact ACIS if you are unsure if your company has an Ultimate Holding Company or if you need clarification of the meanings of “ultimate holding company”, “holding company” or “subsidiary”.

For further information or if you would like to discuss the meaning of “Ultimate Holding Company” and whether you need to disclose any details, please call us on 1800 773 477.