



DPN After Liquidation

Step-by-step workflow when the ATO has directed an objection but not disclosed the basis of the notice



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About this guide

Colleague,

This is a practical workflow for handling a Director Penalty Notice (DPN) issued after liquidation, where the ATO has told you to lodge an objection but hasn't disclosed enough detail to explain why the notice was issued.

Use it for clients, accountants, and support staff working a DPN where the basis isn't clear.

Key point: if a DPN was issued after liquidation, do not assume it's invalid. The first job is to identify the basis of the DPN, protect the objection deadline, and force the ATO to provide the detail needed to assess whether the director is liable.

The objective of this process is to:

- Protect the client against a missed objection deadline.
- Identify whether the DPN is likely to be lockdown or non-lockdown.
- Obtain the supporting detail from the ATO so the objection can be properly expanded or refined.

Step 1 -- Gather the core documents immediately

Before any portal work starts, collect the documents that will let you work backwards from the DPN.

- Copy of the DPN.
- Date of liquidation and copy of the liquidator appointment notice.
- Director appointment and resignation details from ASIC.
- Integrated Client Account, activity statements, and any SGC account information available.
- BAS and IAS lodgement confirmations.
- Super Guarantee statements and super payment records.
- Any ATO correspondence, file notes, call notes, or reference numbers from recent calls.

Step 2 -- Confirm what the DPN is actually based on

A DPN can only relate to certain liabilities. Identify exactly what the ATO says the director is liable for.

- Confirm whether the DPN relates to PAYG withholding, SGC, or both.
- Identify the exact reporting periods or quarters involved.
- Check whether the amount appears to be based on an actual assessment or an estimate.
- Check whether the ATO is treating the matter as locked down before liquidation.

Step 3 -- Work out whether the issue is timing, amount, or director status

Don't jump straight to drafting objection grounds. First work out which category the dispute is likely to fall into:

- The underlying debt may be wrong.
- The ATO may have used the wrong lodgement dates.
- The ATO may be treating the matter as lockdown when it should not be.
- The person may not have been a director during the relevant period.
- The ATO may simply not have given enough particulars to explain the decision.

Step 4 -- Do the lodgement timing analysis

This is the most important technical step. The real question isn't whether the DPN was issued after liquidation. The question is whether the relevant liabilities were lodged within time.

- List each BAS or SGC period.
- Record the statutory due date for each period.
- Record the actual lodgement date for each period.
- Mark whether each period was lodged within 3 months of the due date.
- Compare those dates with the liquidation date.

Step 5 -- Decide the likely technical position

Once the dates are lined up, form a provisional view.

- If lodgements were made within 3 months, the matter may be non-lockdown and liquidation may remit the penalty.
- If lodgements were not made within 3 months, the ATO may be treating the debt as lockdown and liquidation will not, by itself, remove director liability.
- If the dates or amounts are unclear, the objection should be lodged on a holding basis while details are demanded from the ATO.

Step 6 -- Lodge a holding objection to protect time

If the ATO has instructed you to lodge an objection and you don't yet have the reason for the DPN, lodge a holding objection before the deadline expires. The holding objection should:

- Identify the decision as the DPN dated [insert date].
- State that the taxpayer disputes the validity and/or amount of the DPN.
- State that the taxpayer has not been provided with sufficient particulars to understand the basis of the DPN.
- State that the company is in liquidation and the DPN was issued after liquidation.
- State that it is presently unclear whether the ATO relies on lockdown or non-lockdown liabilities.
- Reserve the right to expand the grounds once the ATO provides full details.

Step 7 -- Ask the ATO for full particulars in writing

The objection does not replace the need for a proper information request. The ATO should be asked to provide the detail needed to understand the notice:

- A breakdown of the liabilities by period.
- Confirmation of whether the liabilities are PAYG, SGC, or both.
- The lodgement dates the ATO is relying upon.
- Confirmation of whether the liabilities are assessed or estimated.
- Confirmation of whether the ATO regards the DPN as lockdown or non-lockdown.
- A statement of account or transcript showing how the amount has been built up.

Step 8 -- Pull portal records and reconcile

Even where the DPN reason isn't visible, portal data often helps reconstruct the position.

- Download the Integrated Client Account.
- Download activity statement history.
- Download or obtain SGC account details if available.
- Check for BAS lodgement timestamps.
- Check whether the debt appears to have arisen from amended assessments or estimates.
- Prepare a period-by-period reconciliation comparing portal data against the DPN amount.

Step 9 -- Expand the objection once detail comes through

Once the ATO discloses the basis of the DPN, update the objection so the grounds are specific and evidence-based.

- If the debt is non-lockdown, argue the penalty should be remitted because the company is in liquidation.
- If the debt is said to be lockdown, challenge any wrong lodgement dates or wrong classification.
- If the amount is wrong, challenge the underlying assessment or estimate.
- If the person was not a director at the relevant time, set that out clearly with ASIC evidence.
- If the ATO relied on estimates, provide actual records and seek amendment.

Step 10 -- Keep a clean evidence pack

Every objection should be backed by an organised file that another adviser could pick up cold:

- Chronology of due dates, lodgement dates, liquidation date, and DPN date.
- Copy of the objection as lodged.
- Copy of the request for particulars.
- Portal extracts and account transcripts.
- Lodgement confirmations.
- Supporting payroll, BAS, and super records.
- File notes of every call with the ATO.

Choosing the next step -- decision matrix

If lodgements were within 3 months and the company is already in liquidation:

Push the objection on the basis that the DPN should be remitted or withdrawn because the liabilities are non-lockdown.

If lodgements were outside 3 months:

Treat the matter as likely lockdown unless the dates can be disproved. Focus on wrong dates, wrong amounts, estimates, or director status.

If the ATO has not disclosed enough detail:

Maintain the holding objection and continue to demand particulars in writing.

If the amount is based on an estimate:

Provide actual records and challenge the estimate or underlying assessment.

If the person was not a director during the relevant period:

Raise director status as a separate ground with ASIC evidence and supporting chronology.

Documents to provide with or behind the objection

- Copy of the DPN.
- Liquidator appointment notice and liquidation date confirmation.
- BAS and IAS lodgement confirmations.
- SGC statements and super payment evidence.
- Integrated Client Account and activity statement history.
- Director appointment and resignation extracts.
- Period-by-period reconciliation worksheet.
- ATO call notes and reference numbers.
- Any request to the ATO asking for the basis of the DPN.

Suggested wording for the holding objection

The taxpayer objects to the Director Penalty Notice dated [insert date]. The taxpayer disputes the validity and/or amount of the notice. The company is in liquidation and the notice was issued after liquidation. The taxpayer has not been provided with sufficient particulars to understand the basis upon which the Commissioner says the director penalty arises, including the periods involved, the liabilities relied upon, the relevant lodgement dates, and whether the Commissioner treats the liabilities as lockdown or non-lockdown. The taxpayer therefore lodges this objection to protect time and reserves the right to expand these grounds once full particulars are provided.

Practical warning

Do not assume that 'issued after liquidation' means 'invalid'. The real issue is whether the relevant PAYG or SGC liabilities were lodged within time. That's what usually decides whether the DPN can survive liquidation.

This guide is a practical workflow. Adapt it to the facts, the exact DPN, and the records available through the portal and the liquidator.

The Nature of Our Role

Resolve provides administrative support, coordination, and acts as the point of contact. We are not licensed to provide financial, legal, or investment advice -- where that's needed for the matter, we coordinate the right specialist practitioners (registered liquidators, solicitors, accountants) around the situation.

That way you get the experience and firepower of a full team -- with us holding the whole picture together so nothing falls through the cracks.

Issued after liquidation does not mean invalid. The lodgement timing, not the timing of the notice, is what decides whether the director is on the hook. The job is to protect time, demand particulars, and build the objection on the facts.

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Next Steps

Colleague, if you've received a DPN after liquidation -- or you're working a client matter where one has landed -- the holding objection clock is short. Get the file to us early.

Whenever you're ready, you can:

- Reply to this email
- Call us directly on 0499 499 899
- Email us at advisor@resolve.net.au