

**TAX, STRUCTURE & COMPLIANCE**

Restricted Words: The Most Prestigious Names Carry the Strictest Rules

Words like Foundation, Trust, Chartered and University, and any Royal connection, can need consent or evidence most associations have never checked

A number of ordinary-sounding words, foundation, institute, trust, university, chartered, and any suggestion of Royal connection or patronage, cannot simply be adopted into an association's name on request. Some of these words are restricted, and the rules differ between ASIC, which registers companies limited by guarantee, and each state or territory regulator, which registers incorporated associations. Getting this wrong is not merely a rebranding inconvenience. It can result in a registration being refused, or an existing name being ordered changed.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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The Specific, Real Restriction On Royal Connection

Both ASIC and state regulators may refuse a name suggesting a Royal connection or patronage that does not exist; New South Wales, for example, may refuse a name suggesting a connection with the Crown or the State. This is not a theoretical restriction. A legitimate, historical pathway does exist for organisations that actually hold this status: a number of well-known Australian professional bodies, including several long-established scientific, accounting, and engineering institutions, were established by Royal Charter, a specific historical form of incorporation entirely distinct from simply requesting permission to use the word.

The Specific Evidence Certain Words Actually Require

Beyond Royal connection, a practical example illustrates how specific these restrictions are. In New South Wales, for example, an incorporated association using foundation must show evidence of an endowment or a guaranteed income base, one using trust must provide a copy of the trust deed, and one using charity must provide proof of ACNC registration. For companies, chartered and trust require ASIC consent, and university requires the Education Minister's consent, before registration. Check your own regulator's rules. These are not stylistic choices left to the applicant's discretion. They require the specific supporting evidence the relevant regulator actually asks for. Choosing a name that sounds appropriately prestigious or substantial is not the same as choosing a name your association is entitled to use. Several of the most impressive-sounding words in an association's naming toolkit carry the most specific evidentiary requirements attached to them.

Why This Is An Ongoing Risk, Not A One-Time Check

Naming restrictions are not simply checked once at initial registration and then forgotten. Regulators can direct an association to change its name if it is later found unacceptable (NSW Fair Trading, for example, states this for incorporated associations), so check what your own regulator can do, meaning an association that adopted a restricted word without proper approval years ago remains exposed to being required to rebrand, at real cost and real disruption, whenever this is eventually identified.

- Check the restricted word rules that apply to your entity, ASIC for a company limited by guarantee or your state or territory regulator for an incorporated association, before adopting or changing any name involving foundation, institute, trust, university, chartered, or Royal connection.
- Gather the specific evidence a given restricted word requires, such as endowment evidence for foundation, before submitting a name application relying on it.
- Understand the distinction between seeking simple permission to use a restricted word and the separate, historical pathway of Royal Charter incorporation some organisations legitimately hold.
- Treat naming compliance as an ongoing risk, not a one-time registration check, given regulators retain the power to order a name change well after initial registration.
- Run a separate trademark search through IP Australia in addition to any entity name check, connecting directly to the brand and intellectual property discipline discussed earlier in this series, since these are distinct checks.

A name is one of an association's most visible assets, and the words carrying the most apparent prestige are frequently the ones carrying the most specific legal restrictions. Confirming your association's name is entitled to every word it uses is a small, worthwhile check against a considerably larger cost if a regulator ever concludes otherwise. This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

Restricted Words: The Most Prestigious Names Carry the Strictest Rules

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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