



Technical Accounting Alert

TA 2021-09

ASIC releases 21-323MR – ASIC to extend deadlines for 31 December 2021 unlisted entity financial reports

Executive summary

On 30 November, the Australian Securities and Investment Commission (ASIC) announced a further extension to the already existing financial reporting deadlines for unlisted entities required to report under Chapters 2M & 7 of the *Corporations Act 2001* by one month for balances dates from 24 December 2021 to and including 7 January 2022 and amended the previous 'no action' position for AGM's. The extended deadlines are to assist with pressures on resources for audits and to provide adequate time for completion of the audit process in light of the challenges presented by COVID-19. 21-323MR has taken legal effect through the implementation of *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Unlisted Entities) Instrument 2020/395*.

In summary, for entities with a year end between 24 December 2021 and 7 January 2022, the additional relief announced:

- extends deadlines for lodging financial reports for unlisted entities by one month;
- extends deadlines for compliance plan audits by one month; and
- extends the deadline for holding an AGM for entities with these year ends by one month.

Where possible, entities should continue to lodge within the statutory deadlines, having regard to the information needs of relevant stakeholders or to meet borrowing or other obligations, such as covenants. The extension is not available to entities whose reporting deadlines have passed, and will take effect upon on release of an official ASIC Instrument. It is also not available for listed entities.

The full text of the media release is included below (source: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2021-releases/21-323mr-asic-to-extend-deadlines-for-31-december-2021-unlisted-entity-financial-reports/>).

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ASIC will extend the deadline for unlisted entities to lodge financial reports by one month for balance dates from 24 December 2021 to 7 January 2022 (inclusive).

The extended deadlines will assist with any pressures on resources for the audits of smaller entities and provide adequate time for the completion of the audit process considering challenges presented by COVID-19 conditions.



Where possible, entities should continue to lodge within the normal statutory deadlines, having regard to the information needs of shareholders, creditors and other users of their financial reports, or to meet borrowing covenants or other obligations.

ASIC recognises that current audit resources might be affected by the number of subsidiaries of foreign companies reporting at 31 December, increased staff turnover, delays with new secondees from overseas after the lifting of travel restrictions, existing secondees travelling home, staff leave, and reduced virtual secondments from overseas audit firms that have mainly 31 December year end audits.

Directors of some unlisted companies may be asked by their auditors to facilitate the spreading of deadlines for lodging audited financial reports. Directors should consider the information needs of shareholders and other users of their financial reports, as well as meeting borrowing covenants or other obligations, when deciding whether to depart from the normal statutory deadlines.

The relief announced today builds on earlier relief announced for certain reporting periods ending up to 7 January 2021 and from 23 June 2021 to 7 July 2021:

- [20-084MR](#) ASIC to provide additional time for unlisted entity financial reports;
- [20-113MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs;
- [20-276MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs; and
- [21-082MR](#) ASIC to extend deadlines for 30 June 2021 financial reports and amends 'no action' position for AGMs.

ASIC will consider relief for other entities and balance dates on a case-by-case basis, where appropriate.

An instrument that amends [ASIC Corporations \(Extended Reporting and Lodgment Deadlines – Unlisted Entities\) Instrument 2020/395](#) to extend the deadlines has been registered and is in effect.

Reporting periods ending after 7 January 2022

ASIC will continue to monitor how market conditions and COVID-19 related developments are affecting financial reporting and audit obligations for balance dates after 7 January 2022. At present, there is no indication that further extensions of time will be necessary.

Attachment to 21-323 MR ASIC to extend deadlines for 31 December 2021 unlisted entity financial reports

Summary of extended deadlines

The extended deadlines for the lodgement of financial reports, directors' reports and audit reports for unlisted entities are summarised below. The deadlines are calculated as periods after balance dates and references to Chapters are to Chapters of the Act.

1. Under Chapter 2M, the deadline for lodgement of full year financial reports, directors' reports and auditor's reports for:
 - a. unlisted disclosing entities and for unlisted registered schemes, is extended from 3 to 4 months; and
 - b. all other unlisted entities are extended from 4 to 5 months (will apply to public and proprietary companies that are not disclosing entities or registered schemes).

Note: an extension of the deadline for unlisted registered schemes to lodge compliance plan audit reports will automatically occur as a result of the extension for registered schemes. The period for auditors to complete the compliance plan audit report will be extended from 3 months to 4 months.



2. Under Chapter 2M, the deadline for lodgement of half-year financial reports, directors' reports and audit/review reports for unlisted disclosing entities (including unlisted registered schemes that are disclosing entities) is extended from 75 days to 75 days plus 1 month; and
3. Under Chapter 7, the deadline for lodgement of profit and loss and balance sheets (and other associated information) for:
 - a. unlisted Australian financial services (AFS) licensees that are bodies corporate and also disclosing entities or registered schemes is extended from 3 months to 4 months;
 - b. unlisted AFS licensees that are body corporates and are not disclosing entities or registered schemes is extended from 4 months to 5 months; and
 - c. AFS licensees that are not bodies corporate is extended from 2 months to 3 months.

For example, the normal deadline for an unlisted public company that is not a disclosing entity to lodge its reports for the year ending 31 December 2021 is 30 April 2022 and the extended deadline will be 31 May 2022.

The relief will not apply to registered foreign companies.

Consequential relief

For entities that make use of the extended deadlines, the following relief will also be available (where applicable):

1. similar extended deadlines will be available for sending reports to members, but note some of those deadlines also operate by reference to the date of the next AGM;
2. unlisted public companies will be given up to 6 months after year end to hold their annual general meetings (AGMs) (ASIC Corporations (Extension of Time to Hold AGMs) Instrument 2021/770. Directors must comply with their directors' duties in deciding whether it is appropriate to rely on this relief;
3. the deadlines for compliance plan audits for registered schemes will be extended by one month;
4. despite the extension, where a grandfathered proprietary company uses the extended deadline relief, it will continue to retain its grandfathered status. The directors' report must disclose that the company has applied ASIC relief to report to members no later than one month after the normal reporting deadline; and
5. the reporting deadlines in [ASIC Corporations \(Wholly-owned Companies\) Instrument 2016/785](#) will be extended by one month for balance dates from 24 December 2021 to 7 January 2022.

Further information



If you wish to discuss any of the information included in this Technical Accounting Alert, please get in touch with your Grant Thornton Relationship Partner or a member of the National Assurance Quality Team at national.assurance.quality@au.gt.com