

Technical Accounting Alert

TA 2022-10

Grandfathered large proprietary companies – reporting deadlines

EXECUTIVE SUMMARY

As mentioned in [TA 2022-09](#), the Australian federal government recently passed Treasury Laws Amendment (2022 Measures No. 1) Bill 2022. Among the measures included in the bill was:

- Repeal of ASIC Corporations (Exempt Proprietary Companies) Instrument 2015/840
- Amendments to the Corporations Act 2001 to reflect the repealed instrument

In summary, the amendment removes the lodgement relief previously available to certain former exempt proprietary companies (also known as “grandfathered” companies) from the Corporations Act requirement to lodge their annual reports with ASIC.

The amendment was effective immediately for all financial years that end after the day royal assent was received – i.e. 9 August 2022 and there is no transitional relief available.

On 13 September 2022, an addendum was added to ASIC media release 22-187MR *ASIC to extend deadlines for 30 June 2022 unlisted entity financial reports*. The addendum clarifies that grandfathered large proprietary companies will **not** be exempt from lodging their financial reports with ASIC if they complete their financial reporting obligations after the statutory deadlines for the years ended 24 June to 7 July. A grandfathered company that takes advantage of the extended reporting deadlines will be required to lodge with ASIC its financial report for a year ended 24 June to 7 July 2022.

The full text to the addendum is included below (source: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-187mr-asic-to-extend-deadlines-for-30-june-2022-unlisted-entity-financial-reports/>)

ADDENDUM TO 22-187MR ASIC TO EXTEND DEADLINES FOR 30 JUNE 2022 UNLISTED ENTITY FINANCIAL REPORTS

Contrary to paragraph 4 in the ‘Consequential relief’ section[#], grandfathered large proprietary companies will not be exempt from lodging their financial reports with ASIC if they complete their financial reporting obligations after the statutory deadlines for the years ended 24 June to 7 July 2022. A grandfathered company that takes advantage of the extended reporting deadlines will be required to lodge with ASIC its financial report for a year ended 24 June to 7 July 2022.

This follows the repeal of the grandfathering exemption by the [Treasury Laws Amendment \(2022 Measures No. 1\) Act 2022 \(the Act\) on 9 August 2022](#). To remain exempt from lodging their financial reports for years ending before 9

August 2022, grandfathered companies must meet all of the legislative requirements for the exemption including completing their reporting obligations within the statutory deadlines. The Act prevents ASIC from making a class order that would continue the exemption for 24 June to 7 July 2022 year ends of companies that use the extended reporting deadlines granted by ASIC.

Paragraph 4 of the release states that: “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.”

FURTHER INFORMATION



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