



# Technical Accounting Alert

## TA 2020-08

### ASIC releases 20-084MR – ASIC to provide additional time for unlisted entity financial reports.

#### Executive summary

On 9 April, the Australian Securities and Investment Commission (ASIC) announced they intend to provide one month lodgement date extension for unlisted entities required to lodge financial reports under Chapters 2M and 7 of the *Corporation Act 2001* where the entity's financial year-end is dated from 31 December 2019 to 31 March 2020. The extended deadlines are to assist entities whose reporting processes are affected by the current remote working arrangements, travel restrictions and other impacts of COVID-19.

Where possible, entities should continue to lodge within the statutory deadlines having regard to the information needs of relevant stakeholders or to meet borrowing (covenants) or other obligations.

The extension is not available to entities whose reporting deadline have passed and ASIC has reserved their options for periods ending subsequent to 31 March 2020. This extension will be provided on release of an official ASIC Instrument.

The full text of the media release is included below (source: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-084mr-asic-to-provide-additional-time-for-unlisted-entity-financial-reports/>).

#### 20-084MR ASIC to provide additional time for unlisted entity financial report.

##### Listed entities

ASIC is closely monitoring market conditions and COVID-19 developments that may affect financial reporting, talking to market participants and auditors, and considering possible impacts and responses.

At present, there appear to be no widespread indications of any significant issues for the relatively small number of listed entities with 31 March 2020 balance dates in meeting their full-year and half-year financial reporting obligations. The financial reports of listed entities are important to confident and informed capital markets and a broad range of investors.

Timely reporting by these entities is important, however ASIC will consider applications to extend the reporting deadline for individual entities in appropriate circumstances. Where possible, any applications should be made at least 14 days before the normal reporting deadline. Applications should include sufficient information for ASIC to assess the impact of market conditions and COVID-19 developments.



### Reporting periods ending after 31 March 2020

ASIC continues to assess the impact on financial reporting for balance dates after 31 March 2020, particularly at 30 June 2020. ASIC is also carefully monitoring how market conditions and COVID-19 developments are affecting financial reporting and AGM obligations for entities with 30 June 2020 balance dates. We may make further announcements on these matters depending on market developments.

### Annual General Meetings

ASIC media release 20-068MR *Guidelines for meeting upcoming AGM and financial reporting requirements* provides information on the ASIC 'no action' position for Annual General Meetings of public companies with 31 December 2019 year ends.

### Attachment: Extended lodgement periods for unlisted entities

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 *Corporations 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 is 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 are 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 ended 31 March 2020 is 31 July 2020 and the extended deadline will be 31 August 2020.



The extended deadlines will only apply where the normal reporting deadline has not already passed. For example, the deadline for a 31 December 2019 year-end financial report of a managed investment scheme was 31 March 2020 and no extended period will apply. However, the deadline for a proprietary company that is not a disclosing entity is 30 April 2020 and the extended deadline will be 31 May 2020.

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. ASIC media release [20-068MR](#) Guidelines for meeting upcoming AGM and financial reporting requirements provides information on the ASIC 'no action' position for Annual General Meetings of public companies with 31 December 2019 year ends.

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 1 month after the existing 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 Grant Thornton Relationship Partner or a member of the National Assurance Quality Team at [national.assurance.quality@au.gt.com](mailto:national.assurance.quality@au.gt.com).