



Technical Accounting Alert TA 2020-16

ASIC extends financial reporting deadline for listed and unlisted entities and amends 'no action' position for AGM's.

Executive summary

On 11 November, the Australian Securities and Investment Commission (ASIC) announced [20-276MR](#) - A further extension to the already existing financial reporting deadlines for listed and unlisted entities required to report under Chapters 2M & 7 of the *Corporations Act 2001* by one month for certain balance dates up to and including 7 January 2021 and amended the previous 'no action' position for AGM's. 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.

In summary, the additional relief announced:

- builds on earlier relief announced for unlisted entities with 31 December 2019 to 7 July 2020 year ends [20-084MR](#) and [20-113MR](#) and will extend deadlines for lodging financial reports for all listed and unlisted entities for balance dates to 7 January 2021 where the reporting deadlines has not already passed.
- has amended the 'no action' position released announced on 20 March 2020 by [20-068MR](#). The amendment extends the 'no action' position to entities that do not hold their AGMs within five months after the financial year end from 31 December 2019 to 7 January 2021, but do so up to seven months after year end. This 'no action' position also allows additional time for distribution of financial reports to members prior to the AGM for those entities that rely on this extension.

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.

Listed entities are required to notify the market if they choose to rely on the extended period of lodgement and explain the reasons for relying on the extended deadlines. These entities may also

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/20-276mr-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

ASIC will extend the deadline for both listed and unlisted entities to lodge financial reports under Chapters 2M and 7 of the Corporations Act (the Act) by one month for certain balance dates up to and including 7 January 2021 balance dates.

The extended deadlines for lodgement of financial reports will assist those entities whose reporting processes take additional time due to current remote work arrangements, travel restrictions and other impacts of COVID-19.

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.

This additional relief announced today builds on earlier relief announced for unlisted entities with 31 December 2019 to 7 July 2020 year ends (refer: [20-084MR](#) ASIC to provide additional time for unlisted entity financial reports and [20-113MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs) and will extend deadlines for lodging financial reports for all listed and unlisted entities for balance dates to 7 January 2021 where the reporting deadline has not already passed.

Unlisted entities will be able to take one additional month to lodge financial reports for year ends from 31 December 2019 to 7 January 2021. Listed entities will be able to take one additional month to report for full year and half-year financial reports for 21 February 2020 to 7 January 2021 balance dates. (The 7 January 2021 date accommodates entities that use a provision in the Corporations Act that allows their financial year to be changed by plus or minus 7 days each year).

Listed entities will be required to inform the market when they rely on the extended period for lodgement. These entities may also find it desirable to explain the reasons for relying on the extended deadlines. Instruments extending the deadlines are expected to be registered on the Federal Register of Legislation by the end of next week.

Listed entities will be required to inform the market when they rely on the extended period for lodgement. These entities may also find it desirable to explain the reasons for relying on the extended deadlines. An instrument extending the deadlines is expected to be registered on the Federal Register of Legislation by the end of next week.

'No action' position on holding of Annual General Meetings

ASIC has adopted a 'no action' position where public companies do not hold their Annual General Meetings (AGMs) within five months after the end financial years that end from 31 December 2019 to 7 January 2021, but do so up to seven months after year end.

Our no action position also allows additional time for distribution of financial reports to members prior to the AGM for those companies that have relied on our extension of time for lodgement of financial reports.

ASIC had previously adopted a 'no action' position where public companies hold their AGMs for 31 December 2019 year ends by the end of July 2020 (refer: [20-068MR](#) Guidelines for meeting upcoming AGM and financial reporting requirements and [20-113MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs).

Reporting periods ending after 7 January 2021

ASIC will continue to monitor how market conditions and COVID-19 developments are affecting financial reporting and AGM obligations for balance dates after 7 January 2021. At present, there is no indication that further extensions of time will be necessary.

Further detail about the various measures is provided in the attachment to this media release.



Attachment to 20-276MR: ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs

Summary of extended deadlines

The extended deadlines for the lodgement of financial reports, directors' reports and audit reports for listed and 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. listed entities is extended from 3 months to 4 months;
 - b. unlisted disclosing entities and for unlisted registered schemes, is extended from 3 to 4 months; and
 - c. 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 listed entities and 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 2020 is 30 April 2021 and the extended deadline will be 31 May 2021.

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. issuers of continuously quoted securities that use the extended reporting deadlines will not lose the ability to use reduced fundraising disclosures;
3. the deadlines for compliance plan audits for registered schemes will be extended by one month;
4. 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 to 7 January 2020.



'No action' position

We have adopted a 'no action' position in relation to the timing of AGMs because ASIC does not have the power to grant extensions of time to hold an AGM on a 'class basis' to all public companies.

ASIC's general policy on 'no-action' positions and their status is set out in [Regulatory Guide 108 No-action letters](#). In particular, a 'no-action' position provides an indication as to the future regulatory action that we might take and does not necessarily preclude third parties (including the Commonwealth Director of Public Prosecutions) from taking legal action in relation to the same conduct or conduct of that kind. Nor does it prevent a court from holding that particular conduct infringes the relevant legislation. ASIC does not represent that the conduct covered by the 'no-action' position will not be held to contravene the relevant legislation. Nor does ASIC undertake to intervene in an action brought by third parties in respect of such conduct.

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