



Technical Accounting Alert

TA 2021-02

ASIC to extend deadlines for 30 June 2021 financial reports and amends 'no action' position for AGM's.

Executive summary

On 23 April, the Australian Securities and Investment Commission (ASIC) announced a one-month lodgement date extension for listed and unlisted entities required to lodge financial reports under Chapters 2M and 7 of the *Corporations Act 2001* where the entity's financial year-end is between 23 June 2021 and 7 July 2021 (inclusive). The extension is available for both listed and unlisted entities, and has been made available to assist auditors in managing market conditions arising from the COVID-19 pandemic, particularly travel restrictions and increased staff turnover. When considering extensions to reporting timeframes, directors should consider the information needs of their stakeholders, including banks, in addition to other obligations when deciding to depart from the normal statutory deadlines.

ASIC also announced a 'no action' position to allow for additional time for distribution of financial reports to members prior to the AGM for those companies that have relied on the above financial reporting deadline extension.

ASX-listed entities are able to submit unaudited reports as preliminary final reports as ASX rules remain unchanged. There are therefore no changes to the lodgement deadline of these preliminary final reports.

When listed entities wish to take advantage of the extension, they are required to make the announcement at the time of their preliminary final reports submission.

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/21-082mr-asic-to-extend-deadlines-for-30-june-2021-financial-reports-and-amends-no-action-position-for-agms>), published 23 April 2021 and accessed on 23 April 2021.

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"ASIC will extend the deadline for both listed and unlisted entities to lodge financial reports (under Chapters 2M and 7 of the *Corporations Act 2001*) by one month for balance dates from 23 June to 7 July 2021 (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 taking into account challenges presented by COVID-19 conditions. Factors that might affect audit firm resources could include restrictions on travel into Australia and increased staff turnover.

While the extensions would be available for both listed and unlisted entities, the reporting for larger listed entities is unlikely to be affected. However, directors of some smaller and mainly unlisted companies may be asked by their auditors to facilitate the spreading of deadlines for audited full year financial reports.

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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.

We understand that the deadlines for ASX-listed entities to provide their preliminary final reports are unchanged. Such reports can be unaudited.

The relief announced today builds on earlier relief announced for certain reporting periods ending up to 7 January 2021 (refer: [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, and [20-276MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs).

The extensions do not apply for reporting for balance dates from 8 January 2021 to 22 June 2021. There does not appear to be a general lack of resources to meet financial reporting and audit obligations for these reporting periods on time. However, ASIC will consider relief on a case-by-case basis, where appropriate.

Listed entities will be required to inform the market when they rely on the extended period for lodgement at the time of the release of their preliminary final reports. 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.

'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 of financial years that end up to 7 July 2021, but do so up to seven months after year end.

Our no action position 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 'no action' positions for public companies AGMs up to 7 April 2021 year ends (refer: [20-068MR](#) Guidelines for meeting upcoming AGM and financial reporting requirements, [20-113MR](#) ASIC to further extend financial reporting deadlines for listed and unlisted entities and amends 'no action' position for AGMs and [21-061MR](#) ASIC adopts 'no-action' position and re-issues guidelines for virtual meetings).

Reporting periods ending after 7 July 2021

ASIC will continue to monitor how market conditions and COVID-19 related developments are affecting financial reporting, audit and AGM obligations for balance dates after 7 July 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 21-082MR ASIC to extend deadlines for 30 June 2021 financial reports and amends 'no action' position for AGMs

Summary of extended deadlines

The extended deadlines for the lodgment 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 lodgment 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.

1. Under Chapter 2M, the deadline for lodgment 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
2. Under Chapter 7, the deadline for lodgment 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 30 June 2021 is 31 October 2021 and the extended deadline will be 30 November 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 from 23 June to 7 July 2021.



'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



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