

Reporting deadlines further extended for listed and unlisted entities

For entities with 30 June balance dates, take note. In response to the challenges being, or to be, encountered by entities in meeting their financial reporting obligations due to the Coronavirus, the Australian Securities and Investments Commission (ASIC) has granted further lodgement relief – and this time, listed entities are included. ASIC has also updated its ‘no action’ position regarding Annual General Meetings (AGM).

What additional lodgement relief has been granted?

As announced by ASIC on 13 May 2020, listed and unlisted entities with balance dates up to and including 7 July 2020 that report under Chapters 2M and 7 of the Corporations Act, will have an additional one month to lodge their financial reports. This is on the premise that the statutory reporting deadline has not yet passed at the time the relevant instrument of relief is registered on the Federal Register of Legislation.

Unlisted entities with balance dates from 31 December 2019 to 7 July 2020 can take advantage of the one-month extension to lodge their financial reports, provided their normal reporting due date has not yet passed. For example, an unlisted entity with a 30 June 2020 year end would normally have to lodge its financial report, director’s report and audit report by 31 October 2020, however the new deadline is now 30 November 2020.

Listed entities with balance dates from 21 February 2020 to 7 July 2020 will have an extra month to lodge full year and half-year financial reports. Important to note is that the ASX lodgement deadline for the Appendix 4E remains unchanged (i.e. 31 August 2020 for 30 June 2020 year ends). This means that if the entity does not have audited accounts by that date, unaudited accounts will need to be lodged with the Appendix 4E.

Extended lodgement periods for entities reporting under Chapter 2M of the Corporations Act are as follows:

Annual report extensions up until 7 July 2020

Type of entity	Chapter 2M deadline	Extended deadline
Listed entity	3 months	4 months
Unlisted disclosing entity	3 months	4 months
Unlisted registered scheme	3 months	4 months
Unlisted public company	4 months	5 months
Proprietary company	4 months	5 months

Half-year report extensions up until 7 July 2020

Type of entity	Chapter 2M deadline	Extended deadline
Listed entity	75 days	75 days plus 1 month
Unlisted disclosing entity	75 days	75 days plus 1 month

Chapter 7 reporting deadlines have been affected by the relief as follows:

Type of entity	Chapter 7 deadline	Extended deadline
Unlisted AFS licensee – body corporate that is a disclosing entity or registered scheme	3 months	4 months
Unlisted AFS licensee – body corporate – NOT disclosing entity or registered scheme	4 months	5 months
AFS licensee – NOT a body corporate	2 months	3 months

What about 'grandfathered' entities?

ASIC stated in its media release that grandfathered proprietary companies will have an additional month to have their financial reports audited. The director's report must disclose that the ASIC relief has been applied to report to members no later than one month after the usual reporting deadline.

How have AGMs been affected?

ASIC has updated its guidance previously issued relating to AGMs. No action will be taken by ASIC where public companies with year ends from 31 December 2019 to 7 July 2020 do not hold their AGMs within the usual five months after year end as long as they do so within seven months after year end. This is the case for public companies with 1 June 2020 to 7 July 2020 year ends even though this could result in them not meeting the requirement to hold an AGM at least once every calendar year.

Treasury has amended the Corporations Act for six months from 6 May 2020 which will facilitate meetings (including AGMs) being hosted using appropriate technology that gives all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place. To this end, ASIC has issued [guidance](#) to assist entities in this regard.

What should entities do now?

If circumstances allow it, entities should continue to lodge within the usual statutory deadlines, especially where this may be required by certain stakeholders. Where this is not possible, entities should plan accordingly to ensure they will be in a position to meet the deferred lodgement date.

Either way, early communication with advisers and auditors will be important to ensure everyone is working towards the same deadline.

Listed entities that make use of the extended lodgement period must inform the market of this. ASIC suggests that the reasons for doing so be explained.

While entities are dealing with the many and varying impacts of COVID-19, financial reporting and related obligations could easily fall by the wayside. Entities would do well to assess the financial reporting implications of the pandemic in the context of their business sooner rather than later as these will, in all likelihood, extend to their financial statements and the numbers reported therein. One thing is for sure, preparing financial statements and auditing these in the current environment will not be like previous years, so planning and preparation will be key.