



# ASIC

Australian Securities &  
Investments Commission

## REGULATORY GUIDE 26

# Resignation, removal and replacement of auditors

October 2024

### About this guide

This is a guide for public companies, corporate directors of retail corporate collective investment vehicles, responsible entities of registered schemes, trustees of registrable superannuation entities, other AFS licensees, credit licensees, and their appointed auditors.

It explains how we may exercise ASIC's power to:

- give consent to the resignation or removal of auditors under certain provisions of the Corporations Act; and
- approve the resignation or replacement of auditors under certain provisions of the National Credit Regulations.

### About ASIC regulatory documents

In administering legislation ASIC issues the following types of regulatory documents.

**Consultation papers:** seek feedback from stakeholders on matters ASIC is considering, such as proposed relief or proposed regulatory guidance.

**Regulatory guides:** give guidance to regulated entities by:

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act)
- explaining how ASIC interprets the law
- describing the principles underlying ASIC's approach
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

**Information sheets:** provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

**Reports:** describe ASIC compliance or relief activity or the results of a research project.

### Document history

This version was issued in October 2024 and is based on legislation and regulations as at the date of issue. In January 2026, we updated the guide to reflect the new AFS licence application process. We:

- removed references to Form FS07 in Table 1 and RG 26.101;
- removed references to Form FS09 in Table 1 and RG 26.102; and
- updated legislative references in the note to RG 26.34(a).

Previous versions:

- Superseded Regulatory Guide 26, issued 18 June 2015
- Superseded Policy Statement 26, issued 22 June 1992, rebadged as a regulatory guide July 2007

### Disclaimer

This guide does not constitute legal advice. We encourage you to seek your own professional advice to find out how the Corporations Act and other applicable laws apply to you, as it is your responsibility to determine your obligations.

Examples in this guide are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.

# Contents

<b>A</b>	<b>Overview .....</b>	<b>4</b>
	Purpose of this guide .....	4
	Our general approach to change of auditor .....	5
	The role of directors and audit committees .....	6
	How the requirements apply .....	7
	How to apply to ASIC for consent .....	7
<b>B</b>	<b>Our general approach to change of auditor.....</b>	<b>11</b>
	When we will give our consent .....	11
	Other circumstances that may result in change of auditor .....	15
<b>C</b>	<b>The role of directors and audit committees.....</b>	<b>18</b>
	Auditor independence and audit quality .....	18
	Timing of change in auditor and maintaining members' rights .....	19
<b>D</b>	<b>How the requirements apply.....</b>	<b>20</b>
	Auditors of public companies.....	20
	Auditors of registered schemes or retail CCIVs (and their respective compliance plans).....	24
	Auditors of RSEs .....	26
	Auditors of AFS licensees.....	28
	Auditors of credit licensee trust accounts .....	29
<b>E</b>	<b>How to apply to ASIC for consent.....</b>	<b>31</b>
	When to lodge an application .....	31
	How we assess an application.....	32
	What notification we will give of our decision .....	32
	How to apply for a review of our decision .....	33
	<b>Appendix: Checklist of information to be provided with your application .....</b>	<b>34</b>
	<b>Key terms .....</b>	<b>35</b>
	<b>Related information.....</b>	<b>38</b>

## A Overview

### Key points

This guide explains the policies and principles that influence how we may exercise ASIC's powers to give consent or approval to the resignation, removal or replacement of auditors.

It explains how these policies and principles apply to auditors of:

- public companies;
- registered schemes and their compliance plans;
- retail corporate collective investment vehicles (CCIVs) and their compliance plans;
- registrable superannuation entities (other than exempt public sector superannuation schemes, excluded approved deposit funds and small Australian Prudential Regulation Authority (APRA) funds) (RSEs);
- Australian financial services (AFS) licensees; and
- trust accounts of Australian credit licensees (credit licensee trust accounts).

We discuss considerations for directors and audit committees.

We also give guidance about how to apply to ASIC for consent, including what information should be provided with the application.

## Purpose of this guide

RG 26.1 The *Corporations Act 2001* (Corporations Act) and the *National Consumer Credit Protection Regulations 2010* (National Credit Regulations) provide for the resignation, removal and replacement of auditors for different entities.

RG 26.2 This guide sets out the policies and principles that influence how we may exercise ASIC's powers to give consent or approval in these circumstances under s329(6), 331AC(1)–(3) (including as they apply under s1232R(2)), 331AK(1)–(2), 601HH(1)(b), 601HH(3), 990F(b), 990G(2), 1226J(1)(b) and 1226J(4) of the Corporations Act, and regs 19(4)(d) and 19(4)(e) of the National Credit Regulations.

Note 1: In this guide, references to sections (s), chapters (Chs), divisions (Div), subdivisions (subdiv) and parts (Pts) are to the Corporations Act, unless otherwise specified. References to regulations (regs) are to the National Credit Regulations, unless otherwise specified.

Note 2: In general, for the purposes of our guidance, 'consent' also includes 'approval' in the context of the National Credit Regulations.

Note 3: Div 7 of Pt 2M.4 of the Corporations Act applies to a retail CCIV as if the CCIV were a registered scheme and the corporate director were the scheme's responsible entity: see s1232R(2).

- RG 26.3 This guide does not deal with APRA's regulatory decision making about auditors. This includes decisions that APRA may make:
- (a) about audits of small APRA funds; and
  - (b) under provisions it administers of the *Superannuation Industry (Supervision) Act 1994* (SIS Act), *Banking Act 1959* (Banking Act), *Insurance Act 1973* (Insurance Act), *Life Insurance Act 1995* (Life Insurance Act) and *Retirement Savings Accounts Act 1997* (RSA Act).

Note: For information about APRA's oversight of small APRA fund audits, see Prudential Standard [SPS 310](#) *Audit and related matters*.

## Our general approach to change of auditor

- RG 26.4 Section B of this guide explains our general approach to a change of auditor, including:
- (a) the matters we will consider in deciding whether to give our consent; and
  - (b) other circumstances that may result in a change of auditor.

### When we will give our consent

- RG 26.5 In general, we will consent to the resignation, removal or replacement of an auditor *at any time of the year* if:
- (a) our criteria for consent are satisfied;
  - (b) all relevant supporting information is provided with the application; and
  - (c) where relevant, disclosure of the removal of the auditor is made to ASIC and the market or to members, as applicable.
- RG 26.6 However, we will generally not consent to the resignation, removal or replacement of an auditor *at any time of the year* if:
- (a) concerns are raised by the outgoing auditor about a disagreement with management or directors; and/or
  - (b) other evidence indicates that we should not provide our consent.
- RG 26.7 We expect an outgoing auditor to bring to our attention any matters connected with their ceasing to hold office that may impact on the integrity of the audit function. For example:
- (a) if the outgoing auditor is aware that their resignation, removal or replacement may be connected with 'opinion shopping';

- (b) details of any disagreement with management or directors (including management or directors of a responsible entity, corporate director, superannuation trustee, AFS licensee or credit licensee); and
- (c) any other circumstances or matters connected with the auditor ceasing to hold office that should be brought to our attention.

RG 26.8 We will decide whether to consent to a resignation, removal or replacement on the merits of each case.

RG 26.9 Where our consent to a removal, resignation or replacement is required, the outgoing auditor appointment continues until we give our consent, and it ends in accordance with the terms of our consent: see s329(5), 331AC(1)–(2), 331AK(1)–(2), 601HH(1)(b), 601HH(2)(b), 990F(b), 990G(1) or 1232R(2), 1226J(1), 1226J(3), and regs 19(4)(d) or 19(4)(e).

RG 26.10 In all cases, our consent should not be assumed and it is important that an outgoing auditor continues to act as auditor until we have given our consent. We will not give our consent merely because a proposed incoming auditor has commenced work. Giving consent in such circumstances would undermine the legislative requirement to obtain consent.

### **Other circumstances that may result in change of auditor**

RG 26.11 We also provide guidance on other circumstances that may result in a change of auditor, including:

- (a) auditor ineligibility, incapacity or death;
- (b) loss of auditor independence due to a conflict of interest situation;
- (c) disqualification of an auditor by a court;
- (d) deliberate disqualification by an auditor; and
- (e) changes in the structure of an audit firm due to a merger, acquisition or dissolution.

## **The role of directors and audit committees**

RG 26.12 It is important that directors and audit committees support auditor independence, audit quality, and the rights of members to decide on (or scrutinise in the case of RSEs) the appointment of an incoming auditor. Section C of this guide discusses considerations by directors and audit committees relating to a change of auditor.

RG 26.13 In particular, directors and audit committees of public companies should consider whether a change of auditor should occur only at an annual general meeting (AGM) of the company.

## How the requirements apply

- RG 26.14 Section D of this guide explains in more detail the requirements that apply to different types of auditors under the relevant legislation. That is, auditors of:
- (a) public companies;
  - (b) registered schemes, retail CCIVs and their respective compliance plans;
  - (c) RSEs;
  - (d) AFS licensees; and
  - (e) credit licensee trust accounts.
- RG 26.15 It also gives guidance on what should be addressed in the application for consent for each type of auditor and whether disclosure is required as a condition of our consent.
- RG 26.16 Table 1 summarises the requirements and application processes for each type of auditor. It also specifies that our consent is not required for:
- (a) the removal of an auditor of a company (other than the removal of an auditor of a retail CCIV or proprietary company that is an AFS licensee, or the replacement of an auditor of the trust account of a credit licensee that is a company);
  - (b) the resignation of an auditor of a proprietary company or a small company limited by guarantee (except where the proprietary company is an AFS licensee or the company is a credit licensee); or
  - (c) the resignation or removal of an auditor of a self-managed superannuation fund, exempt public sector superannuation scheme, excluded approved deposit fund or small APRA fund.
- RG 26.17 Applicants must lodge the forms listed in Table 1 with ASIC by mail at the address listed on each form, as applicable, or use the [ASIC Regulatory Portal](#).

## How to apply to ASIC for consent

- RG 26.18 Section E of this guide gives further guidance about the application process and other procedural matters, including:
- (a) how and when to lodge an application;
  - (b) how we assess an application;
  - (c) what notification we will give of our decision;
  - (d) when the resignation, removal or replacement takes effect; and
  - (e) how to apply for a review of a decision if we refuse to give our consent.

**Table 1: Overview of requirements and application process**

Type of auditor	ASIC consent	Information to be provided	Disclosure of resignation or removal	Relevant forms*
Public companies: see RG 26.57–RG 26.80	Required for resignation of auditor  Not required for removal of auditor	All the information in RG 26.34 and RG 26.36–RG 26.37 if resignation is at an AGM  All the information in RG 26.34–RG 26.37 if resignation is other than at an AGM	No disclosure required if resignation at an AGM  If resignation is other than at an AGM: <ul style="list-style-type: none"> <li>Depending on the circumstances, a disclosing entity may be required to lodge a continuous disclosure notice with ASIC or the relevant market operator</li> <li>Even if a continuous disclosure notice is not required, ASIC considers it best practice to disclose to members (if the public company is not a disclosing entity or is a disclosing entity that does not need to lodge a continuous disclosure notice)</li> </ul>	<a href="#">ASIC Regulatory Portal</a> ('Apply for ASIC consent to resign as an auditor of a public company or a registrable superannuation entity')  <a href="#">Form 315</a> <a href="#">Form 1003</a>
Registered schemes and their compliance plans: see RG 26.81–RG 26.90	Required for resignation or removal of auditor	All the information in RG 26.34–RG 26.37	For resignation: <ul style="list-style-type: none"> <li>Depending on the circumstances, a disclosing entity may be required to lodge a continuous disclosure notice with ASIC or the relevant market operator</li> <li>Even if a continuous disclosure notice is not required, ASIC considers best practice to disclose to members (if the registered scheme is not a disclosing entity or is a disclosing entity that does not need to lodge a continuous disclosure notice)</li> </ul> For removal, disclosure to: <ul style="list-style-type: none"> <li>any relevant market operator; or</li> <li>members</li> </ul>	<a href="#">Form 1003</a> <a href="#">Form 5112</a> <a href="#">Form 5113</a> <a href="#">Form 5114</a> <a href="#">Form 5132</a> <a href="#">Form 5133</a>



Type of auditor	ASIC consent	Information to be provided	Disclosure of resignation or removal	Relevant forms*
Retail CCIVs and their compliance plans: see RG 26.81–RG 26.90	Required for resignation or removal of auditor	All the information in RG 26.34–RG 26.37	<p>For resignation:</p> <ul style="list-style-type: none"> <li>Depending on the circumstances, a disclosing entity may be required to lodge a continuous disclosure notice with ASIC or the relevant market operator</li> <li>Even if a continuous disclosure notice is not required, ASIC considers it best practice to disclose to members (if the retail CCIV is not a disclosing entity or is a disclosing entity that does not need to lodge a continuous disclosure notice)</li> </ul> <p>For removal, disclosure to:</p> <ul style="list-style-type: none"> <li>Any relevant market operator; or members</li> </ul>	<p><a href="#">Form 1003</a></p> <p><a href="#">Form 5212</a></p> <p><a href="#">Form 5213</a></p> <p><a href="#">Form 5214</a></p> <p><a href="#">Form 5230</a></p> <p><a href="#">Form 5232</a></p> <p><a href="#">Form 5233</a></p>
RSEs: see RG 26.91–RG 26.98	Required for resignation or removal of auditor	All the information in RG 26.34–RG 26.37	<p>For resignation:</p> <ul style="list-style-type: none"> <li>No disclosure is required but ASIC considers it best practice to make disclosure to members of the RSE</li> </ul> <p>For removal:</p> <ul style="list-style-type: none"> <li>Disclosure to members of the RSE</li> </ul>	<p><a href="#">ASIC Regulatory Portal</a> ('Apply for ASIC consent to resign as an auditor of a public company or a registrable superannuation entity', 'Apply for ASIC consent to remove a registrable superannuation entity auditor' and 'Notify ASIC of removal, resignation or cessation of a registrable superannuation entity auditor')</p>
AFS licensees: see RG 26.99–RG 26.107	<p>Required for resignation or removal of auditor</p> <p>Note: If the AFS licensee is a public company, see also the requirements for auditors of public companies above.</p>	All the information in RG 26.34–RG 26.37	No disclosure required	<p><a href="#">ASIC Regulatory Portal</a> ('Notify ASIC or apply to ASIC about Australian financial services licensee auditor appointments')</p> <p><a href="#">Form FS08</a></p>

Type of auditor	ASIC consent	Information to be provided	Disclosure of resignation or removal	Relevant forms*
Credit licensee trust accounts: see RG 26.108–RG 26.113	Required for resignation or replacement of auditor  Note: In this guide, 'consent' includes 'approval' in the context of the National Credit Regulations.	All the information in RG 26.34–RG 26.37	No disclosure required	<a href="#">Form CL17</a> <a href="#">Form CL18</a>
Proprietary companies or small companies limited by guarantee	Not required (unless the company is an AFS licensee (proprietary company) or a credit licensee: see above)	—	—	—
Exempt public sector superannuation schemes	Not required	—	—	—
Excluded approved deposit funds	Not required	—	—	—
Self-managed superannuation funds	Not required	—	—	—
Small APRA funds	Not required	—	—	—

\* For the full titles of forms, including forms relating to the appointment of auditors, see 'Related information' at the end of this guide.

## B Our general approach to change of auditor

### Key points

This section explains our general approach when considering whether to give consent to the resignation, removal or replacement of an auditor.

It gives guidance on:

- when we will give our consent (see RG 26.19–RG 26.37); and
- other circumstances that may result in a change of auditor (see RG 26.38–RG 26.47).

### When we will give our consent

#### Matters considered for all applications

- RG 26.19 In exercising ASIC’s powers to consent to the resignation, removal or replacement of an auditor, our overriding concerns are to ensure that the quality and independence of the audit function are preserved.
- RG 26.20 In particular, when deciding whether to consent to the resignation, removal or replacement of an auditor, we will consider:
- (a) any threats to the independence of the auditor (see RG 26.48–RG 26.51);
  - (b) whether the timing of any change in auditor may have an impact on the effective completion of an audit by the incoming auditor (see RG 26.53–RG 26.56); and
  - (c) the statutory right of members of a public company to decide on the appointment of new auditor at an AGM (see RG 26.53–RG 26.54).
- RG 26.21 In general, we will give our consent to the resignation, removal or replacement of an auditor of a public company, registered scheme or retail CCIV (and their respective compliance plans), RSE, AFS licensee or credit licensee trust account if:
- (a) we consider that there is no evidence of an actual or perceived compromise of the auditor’s independence;
  - (b) there is no evidence of ‘opinion shopping’ (see RG 26.22–RG 26.25);
  - (c) we are not concerned by the nature and extent of any disagreements with management or directors of the company, registered scheme’s responsible entity, retail CCIV’s corporate director, superannuation trustee, AFS licensee or credit licensee (see RG 26.26–RG 26.31);
  - (d) there is an inability by the auditor to fulfil all of their obligations under relevant legislation and standards due to a genuine incapacity of the

- auditor to complete the audit engagement that is beyond their control (e.g. relocation of the audited entity to another state in which the auditor has no office), as opposed to a disagreement with management or directors;
- (e) given the timing of the proposed change in auditors, there is no reason to suggest that the proposed incoming auditor could not conduct an effective audit;
  - (f) all the information and documents have been provided with the application, as applicable; and
  - (g) there are no other circumstances or matters connected with the auditor ceasing to hold office that should be brought to our attention (see RG 26.32–RG 26.37).

## Opinion shopping

- RG 26.22 ‘Opinion shopping’ is the practice of searching for an auditor willing to support a particular accounting treatment. It involves an entity communicating with an auditor about their views on specific or proposed accounting treatments before a new appointment.
- RG 26.23 We are unlikely to consent to the resignation, removal or replacement of an auditor that appears to be connected to opinion shopping.
- RG 26.24 An auditor approached by an entity’s directors to be appointed as auditor should not in any way respond to requests from the entity to confirm whether any accounting treatments or proposed treatments are acceptable.
- Note: This generally does not preclude an entity from obtaining accounting advice from an independent source that is in no way connected with a possible future change in auditors—see also Information Sheet 183 *Directors and financial reporting* ([INFO 183](#)).
- RG 26.25 We will consider any modified audit opinion provided within the two most recent financial years (and any subsequent interim period) as part of our assessment of any application for the resignation, removal or replacement of an auditor.

## Disagreements

- RG 26.26 For the purposes of RG 26.21(c), ‘disagreement’ includes any difference of opinion that (if not resolved to the satisfaction of the outgoing auditor) would have caused the auditor to refer to the subject matter of the disagreement in their audit report or in contravention notifications to ASIC (e.g. under s311).
- RG 26.27 ‘Disagreement’, therefore, does not include a situation where:
- (a) there is an initial difference of opinion based on incomplete facts or preliminary information; and

- (b) that difference of opinion is later resolved to the outgoing auditor's satisfaction due to additional relevant facts or information.

RG 26.28 Examples of disagreements that we would expect the outgoing auditor to tell ASIC about include:

- (a) disagreements concerning a choice of accounting policies, principles or practices;
- (b) disagreements concerning accounting estimates or financial report disclosure;
- (c) officers not providing information or explanations to the auditor or other difficulties obtaining information for the audit, including from audited entity associates and/or advisers;
- (d) limitations on the scope of the audit in the two most recent financial years and any subsequent interim period;
- (e) disagreements concerning whether a breach exists that needs to be reported;
- (f) disagreements about the auditor's audit scope or procedures; or
- (g) the auditor not being able to obtain sufficient appropriate evidence about a component in the financial statements, which could result in them modifying their audit opinion.

This is not an exhaustive list. We encourage auditors to contact ASIC if they have doubt as to whether or not there is a disagreement.

RG 26.29 Matters notified to ASIC should include those that have been covered in the most recent audit or review report.

RG 26.30 Disagreements do not include disputes of a commercial nature between the auditor and the client (e.g. non-payment of audit fees).

RG 26.31 We are unlikely to consent to the resignation, removal or replacement of an auditor if the auditor is unable to fulfil all of their obligations under relevant legislation and standards due to a disagreement of the type referred to in RG 26.28.

### **Information to be provided with applications**

RG 26.32 An application for our consent to a resignation must be lodged by or on behalf of the appointed auditor. An application for our consent to a removal must be lodged by or on behalf of the audited entity.

RG 26.33 For the purposes of RG 26.21(f), the following information should be provided with any applications, as applicable:

- (a) a statement from the outgoing auditor addressing key considerations (see RG 26.34);

- (b) additional information from the outgoing auditor (except where the resignation of an auditor of a public company will take effect at an AGM) (see RG 26.35);
- (c) information from the entity (see RG 26.36); and
- (d) confirmation of the proposed incoming auditor (see RG 26.37).

#### Statement from the outgoing auditor

RG 26.34 The applicant seeking our consent to any resignation, removal or replacement of an auditor should provide a statement from the outgoing auditor as to:

- (a) whether all matters that require reporting to ASIC and APRA under relevant legislation and standards have been reported at the date of the application, and that any further such matters that come to the outgoing auditor's attention before the resignation, removal or replacement will be reported;

Note: Under s311, 601HG(4), 601HG(4A), 601HG(4B), 990K and 1226H of the Corporations Act and s104 of the *National Consumer Credit Protection Act 2009* auditors and lead auditors must report certain matters to ASIC—see Regulatory Guide 34 *Auditor obligations: Reporting to ASIC* ([RG 34](#)). Auditors also have obligations to report matters to APRA under legislation—see, for example, s129–130AA, s130BA–130BAA and 130C–130CA of the SIS Act and s88 of the Life Insurance Act.

- (b) whether there are any disagreements with management or directors of the public company, registered scheme's responsible entity, retail CCIV's corporate director, superannuation trustee, AFS licensee or credit licensee (see RG 26.26–RG 26.31);
- (c) whether there is any evidence of opinion shopping (see RG 26.22–RG 26.25);
- (d) whether there are any other circumstances or matters connected with the auditor ceasing to hold office that should be brought to our attention (see RG 26.38–RG 26.47);
- (e) whether, for a resignation, the auditor has notified directors of the public company, responsible entity, corporate director, superannuation trustee, AFS licensee or credit licensee in writing of their application to ASIC for consent to resign;
- (f) whether the auditor is aware of any reasons the audit is unable to be completed under relevant legislation and standards, including any specific legislative requirements.

#### Additional information from the outgoing auditor

RG 26.35 For resignations, other than for the resignation of the auditor of a public company that will take effect at an AGM, the outgoing auditor should provide the following additional information with their application:

- (a) details of the timing of the proposed resignation; and

- (b) whether the auditor provided an adverse or disclaimer opinion or qualification within the two most recent financial years and any subsequent interim period.

### **Information from the entity**

- RG 26.36 The directors of a public company, responsible entity, corporate director, superannuation trustee, AFS licensee or credit licensee should also provide the following information with the application:
- (a) evidence that the entity has approved the appointment of the proposed incoming auditor subject to our consent to the resignation, removal or replacement of the outgoing auditor, as follows:
    - (i) for a public company, a resolution of the directors which may also have reference to the appointment being subject to approval at an AGM;
    - (ii) for a registered scheme or retail CCIV (and their respective compliance plans), a resolution of the directors of the responsible entity or the directors of the corporate director, as applicable;
    - (iii) for an RSE, a resolution of the directors of the superannuation trustee (or the individual trustees if the trustee is not a body corporate); and
    - (iv) for an AFS licensee or credit licensee trust account, a resolution of the directors or members of a company, the partners of a partnership or the individual who is the licensee; and
  - (b) whether there are any disagreements with the auditor.

### **Confirmation of the proposed incoming auditor**

- RG 26.37 The application should be accompanied by a letter from the proposed incoming auditor:
- (a) agreeing to be appointed, subject to our consent to the resignation, removal or replacement of the outgoing auditor;
  - (b) confirming their ability to fulfil obligations they will have as auditor under relevant legislation and standards; and
  - (c) if the change is close to the reporting deadline, confirming that they can reasonably expect to conduct an effective audit before the reporting deadline.

## **Other circumstances that may result in change of auditor**

- RG 26.38 We have set out some other circumstances that may result in a change of auditor: see RG 26.39–RG 26.47. This is not an exhaustive list. In general,

ASIC expects an entity to notify us within 14 days after an auditor ceases for one of these reasons, although there is a variation of this expectation for credit licensees: see Section D.

### **Auditor ineligibility, incapacity or death**

RG 26.39 An auditor's appointment will automatically terminate as outlined in this guide if an auditor:

- (a) ceases to meet the registration requirements under Division 2 of Pt 2M.4;
- (b) ceases to meet the eligibility requirements to perform an RSE audit under Div 2A of Pt 2M.4 or other relevant legislation and standards;
- (c) is an individual auditor and ceases to be eligible to play a significant role in the audit of an entity due to auditor rotation obligations under Div 5 of Pt 2M.4; or
- (d) is an individual auditor and dies.

Note: There are obligations to notify APRA if an auditor ceases to meet eligibility requirements in APRA prudential standards: see Prudential Standard [CPS 520](#) *Fit and proper*, Prudential Standard [SPS 520](#) *Fit and proper*, Prudential Standard [CPS 510](#) *Governance* and Prudential Standard [SPS 510](#) *Governance*.

### **Loss of independence**

RG 26.40 An auditor must take reasonable steps as soon as practicable after becoming aware of a conflict of interest situation or circumstance, to bring that situation or circumstance to an end: see the auditor independence requirements in Div 3 of Pt 2M.4. If the situation or circumstance continues for more than seven days, the auditor must notify ASIC: see s327B(2A)–(2C), 331AAA(2A)–(2C) or 331AH(3)–(5). If the conflict of interest situation or circumstance is not resolved within the relevant timeframe, the appointment of the auditor ceases automatically and our consent to the resignation or removal is not required.

### **Disqualification by a court**

RG 26.41 An auditor may be disqualified from being, or acting as, an auditor of an RSE by a court under s130D and 130EA of the SIS Act. If this happens, section 35AC of the SIS Act requires the superannuation trustee to end the appointment of the RSE auditor. As the auditor is ineligible, the appointment of the auditor ceases and the trustee should notify ASIC within 14 days.

### **Deliberate disqualification**

RG 26.42 The appointed auditor of a company, registered scheme or RSE must not disqualify themselves deliberately from acting as auditor: see s324CM. That



is, in the course of their appointment, an auditor must not bring about a state of affairs that would make the auditor contravene the registration and auditor independence requirements in Divs 2 and 3 of Pt 2M.4.

RG 26.43 An appointed auditor of an AFS licensee must not deliberately disqualify themselves from acting as the auditor of the licensee: see s990D(2).

RG 26.44 If it appears that the auditor may have deliberately disqualified themselves, we may take action in relation to the contravention. Our consent to the resignation or removal does not preclude ASIC from taking enforcement action in relation to a contravention of the law.

### **Mergers, acquisitions and dissolutions of audit firms**

RG 26.45 Mergers or acquisitions of audit firms do not just involve a name change for one of the firms: at least one firm will cease to exist. In this case, a change in auditors should be effected as outlined in this guide.

RG 26.46 An audit firm that is a partnership may be dissolved before our consent to the auditor's resignation or removal has been obtained. If this happens, the audit appointment vests in each member of the firm who is a registered company auditor: see s324AB(1)–(2) and regs 7.8.15(2)–(3) of the *Corporations Regulations 2001* (Corporations Regulations). The appointment of such a member as auditor is not affected by the dissolution (except in circumstances relating to reconstitution of the firm). We therefore expect the provisions of the Corporations Act on the resignation and removal of auditors to apply to each registered company auditor of the firm.

RG 26.47 If a firm is reconstituted through the normal withdrawal of a member, our consent to a resignation or removal is not required unless the withdrawing member is the last remaining registered company auditor: see s324AC and regs 7.8.15(4)–(5) of the Corporations Regulations.

## C The role of directors and audit committees

### Key points

This section briefly discusses considerations for directors and audit committees in:

- supporting auditor independence and audit quality (see RG 26.48–RG 26.52); and
- determining the timing of a change in auditor (see RG 26.53–RG 26.56), including supporting the right of members of public companies to decide on the appointment of a proposed incoming auditor.

### Auditor independence and audit quality

- RG 26.48 Directors and audit committees can play an important role in:
- ensuring the independence of auditors from undue influence by management and others; and
  - promoting audit quality.
- RG 26.49 Where there is good corporate governance, audit committees and directors can provide a measure of protection for members, as well as over the audit process. Auditor independence and audit quality are important to the quality of financial reporting.

#### Auditor independence

- RG 26.50 Auditor independence is fundamental to the credibility and reliability of an auditor's report. An auditor must exercise objective and impartial judgement in conducting an audit and must be able to report the audit findings free from any pressure and undue influence from others.
- RG 26.51 The threat of removal from office by directors of a company, responsible entity, corporate director or superannuation trustee, or other officers, could be used to exert pressure or influence on the auditor. If there is potential uncertainty about the continuation of an auditor at the time that a financial report is completed, this may create a threat to independence.

#### Audit quality

- RG 26.52 We have provided the following guidance on audit quality:
- Information Sheet 196 *Audit quality: The role of directors and audit committees* ([INFO 196](#)) (includes information on matters that directors and audit committees may consider in connection with replacing auditors);

- (b) Information Sheet 222 *Improving and maintaining audit quality* ([INFO 222](#)); and
- (c) Information Sheet 223 *Audit quality: The role of others* ([INFO 223](#)).

## Timing of change in auditor and maintaining members' rights

### Public companies

- RG 26.53 Directors and audit committees of public companies should consider whether any resignation should take place at the next AGM to ensure that the rights of the members to appoint auditors are maintained and the independence and objectivity of auditors is protected.
- RG 26.54 Members of public companies have the right to appoint auditors at an AGM. The resignation of an auditor during a financial year can lead to a new auditor being appointed by the directors and undertaking an audit before the appointment has been considered by the members at an AGM.

### Registered schemes, retail CCIVs and RSEs

- RG 26.55 Registered schemes, retail CCIVs and RSEs do not have AGMs. The appointment of an auditor of a registered scheme or retail CCIV (and their respective compliance plans) or RSE is controlled by the applicable responsible entity, corporate director or superannuation trustee, and not by members.

Note: Trustees of RSEs (other than pooled superannuation trusts) must hold an annual members' meeting (AMM) for each year of income where members must be given reasonable opportunities to ask questions—see s29P of the SIS Act. Unlike an AGM, there is no formal voting on resolutions at AMMs.

- RG 26.56 This does not mean that the independence of auditors and audit quality are less important. Directors of the responsible entity, corporate director or superannuation trustee should consider whether the auditor of a registered scheme or retail CCIV (and their respective compliance plans) or RSE as applicable should change immediately after completion of the audit report.

## D How the requirements apply

### Key points

This section explains in more detail the requirements that apply and what should be addressed in the application for:

- the resignation of an auditor of a public company under s329(5) and 329(6) (see RG 26.57–RG 26.80);
- the resignation or removal of an auditor of a registered scheme or retail CCIV (and their respective compliance plans) under s331AC (including as it applies under s1232R(2)), 601HH and 1226J) (see RG 26.81–RG 26.90);
- the resignation or removal of an RSE auditor under s331AK(1) and 331AK(2) (see RG 26.91–RG 26.98);
- the resignation or removal of an auditor of an AFS licensee under s990F(b) and 990G(1) (see RG 26.99–RG 26.107); and
- the resignation or replacement of an auditor of a credit licensee trust account (trust account auditor) under regs 19(4)(d) and 19(4)(e) of the National Credit Regulations (see RG 26.108–RG 26.113).

### Auditors of public companies

RG 26.57 The auditor of a public company may resign if the auditor has applied, in writing, to ASIC for our consent to the resignation and we have granted our consent: see s329(5) and 329(6).

Note: Our consent is not required for the resignation of an auditor of a proprietary company or a small company limited by guarantee, except for an auditor of a proprietary company that is an AFS licensee (see RG 26.99–RG 26.107) or an auditor of a credit licensee trust account (see RG 26.108–RG 26.113).

RG 26.58 An auditor of a public company should submit their resignation application through the [ASIC Regulatory Portal](#).

Note: For more information about lodging a resignation application as a public company auditor, see Information Sheet 65 *Resignation of an auditor of a public company* ([INFO 65](#)).

RG 26.59 In addition, the public company must:

- notify ASIC of the resignation using [Form 315 Notification of resignation, removal or cessation of auditor](#); and
- if applicable, give a trustee for the holders of debentures in the company a copy of the Form 315 lodged with ASIC (see s329(11)).

The company must do this within 14 days of receiving the auditor's notice of resignation.

- RG 26.60 The appointment of an auditor is primarily a matter for the members. While the directors must fill any vacancy in the office of auditor that occurs other than at an AGM (s327C(1)), the incoming auditor's term will expire at the next AGM. In this case, the members must appoint an auditor at the next AGM: see s327B(1)(b).

### **Resignations that take effect at an AGM**

- RG 26.61 The auditor of a public company can apply for our consent to the resignation taking effect at the next AGM. The following information should be provided with the application:
- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
  - (b) information from the entity (see RG 26.36); and
  - (c) confirmation of the proposed incoming auditor (see RG 26.37).
- RG 26.62 We would generally expect the auditor to lodge a resignation application before the auditor's report is signed. This will help to minimise any impact an unresolved decision about the resignation might have on the independence of the auditor during the completion of the audit process and ensure that this decision and the appointment of an incoming auditor does not interfere with this process.
- RG 26.63 In general, we will consent to the resignation of an auditor that takes effect at the next AGM, subject to the matters in RG 26.21.
- RG 26.64 If a vacancy in the office of auditor of a public company occurs at the AGM, the company must appoint a new auditor: see s327B(1)(b). Under s328B, the nomination of an incoming auditor should be received by the company from a member of the company before the meeting is convened, or not less than 21 days before the meeting.

### **Resignations that take effect other than at an AGM**

- RG 26.65 If the auditor of a public company wishes to resign on a date other than at an AGM, they should provide the following information with the application:
- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
  - (b) additional information from the outgoing auditor (see RG 26.35);
  - (c) information from the entity (see RG 26.36); and
  - (d) confirmation of the proposed incoming auditor (see RG 26.37).
- RG 26.66 In general, we will consent to the resignation of an auditor of a public company to take effect at any time of the year, subject to:
- (a) the considerations in RG 26.21; and

- (b) the matters in RG 26.67–RG 26.69, as applicable.

### Effective date of resignation of auditor

RG 26.67 We may consent to the resignation of an auditor of a public company other than at an AGM. If we do, the resignation will take effect at the later of:

- (a) the day of our consent;
- (b) the day (if any) specified in the notice of resignation given by the auditor to the company; or;
- (c) a day that we specify (if any).

RG 26.68 If we consent to the resignation of an auditor of a public company that is a disclosing entity other than at an AGM then, depending on the circumstances, the public company may be required to lodge a continuous disclosure notice with ASIC or the relevant market operator, containing:

- (a) details of the outgoing auditor;
- (b) details of the proposed incoming auditor; and
- (c) the reason for the change in auditor.

Note: An unlisted disclosing entity may notify ASIC using [Form 1003](#) *Disclosure notice for unlisted disclosing entity*.

RG 26.69 If we consent to the resignation of an auditor, other than at an AGM, for a public company that is not a disclosing entity or is a disclosing entity that does not need to lodge a continuous disclosure notice (see RG 26.68), ASIC considers it best practice to disclose the details in RG 26.68, at or around the date when the resignation takes effect, by public notice displayed prominently on the company's website where the notice can reasonably be readily located and accessed by members.

### Single member public companies

RG 26.70 A single member public company can elect not to hold an AGM under s250N(4). However, our consent to the resignation of an auditor is still required under s329(5) to ensure that the auditor's independence is preserved and the incoming auditor can conduct an effective audit.

RG 26.71 The auditor should provide the following information with the application:

- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
- (b) additional information from the outgoing auditor (see RG 26.35);
- (c) information from the entity (see RG 26.36); and
- (d) confirmation of the proposed incoming auditor (see RG 26.37).

- RG 26.72 In general, we will consent to the resignation of an auditor of a single member public company at any time of the year, subject to the matters in RG 26.21.

### **Public companies registered with the Australian Charities and Not-for-Profits Commission (ACNC)**

- RG 26.73 The most common type of company structure used by charities that are registered with the ACNC is ‘a public company limited by guarantee’. Public companies limited by guarantee and registered with the ACNC, where they have an appointed auditor, will require our consent to the resignation of an auditor, under s329(5), and must follow the auditor removal process as set out in s329(1)–(4), see: RG 26.76–RG 26.80.

Note: For more information on companies limited by guarantee, including auditor appointment, resignation and removals, see Information Sheet 131 *Obligations of companies limited by guarantee* ([INFO 131](#)).

- RG 26.74 The auditor should provide the information outlined in RG 26.34–RG 26.37 with the resignation application.
- RG 26.75 In general, we will consent to the resignation of an auditor of an ACNC public company limited by guarantee that takes effect at the next AGM or at any time of the year, subject to the matters in RG 26.21.

### **Removal of an auditor**

- RG 26.76 Our consent is not required for the removal of an auditor of a company.

Note: Although a retail CCIV is a company, consent is required for the removal of a retail CCIV auditor—see RG 26.81.

- RG 26.77 Removal of an auditor of a company requires the approval of company members at a general meeting. The removal process is set out in s329(1)–(4), including the requirement to give the auditor the opportunity to provide written representations to be sent to all members and read out at the general meeting. The auditor also has the right to be heard at the general meeting.

Note: For more information on the steps involved in the removal process, including an example notice of intention, see Information Sheet 62 *Removal of an auditor of a company* ([INFO 62](#)).

- RG 26.78 Directors or members of a company who want to remove the company’s auditor must give the company a notice of intention to remove the auditor as part of the removal process: see s329(1A). The company must also send a copy of this notice to the auditor and lodge it with ASIC as soon as possible: see s329(2). The address for lodgement is:

Australian Securities and Investments Commission  
PO Box 4000  
Gippsland Mail Centre  
VIC 3841

- RG 26.79 If a resolution to remove an auditor is carried at a general meeting, the company must:
- (a) notify ASIC of the removal using [Form 315](#), and
  - (b) if applicable, give a trustee for the holders of debentures in the company a copy of the [Form 315](#) lodged with ASIC (see s329(11)).
- The company must do this within 14 days of removing the auditor.
- RG 26.80 We may review the removal of an auditor where circumstances of the removal suggest that there may have been contraventions of the Corporations Act. If we find contraventions, we will take appropriate action.

## Auditors of registered schemes or retail CCIVs (and their respective compliance plans)

- RG 26.81 If an auditor of a registered scheme or retail CCIV (and their respective compliance plans) wishes to resign, they must apply to ASIC in writing for our consent. If the responsible entity or corporate director wishes to remove an auditor of their entity or their compliance plan from office, they must also apply to ASIC in writing.

Note: See s331AC(1) and 331AC(2) (including as they apply under s1232R(2)), 601HH(2) and 1226J(3).

- RG 26.82 A responsible entity or corporate director must notify ASIC within 14 days of receiving a notice of resignation or removing an auditor: see s331AC(7), including as it applies under s1232R(2). Responsible entities and corporate directors must also notify ASIC within 14 days of appointing an auditor of a registered scheme or retail CCIV to fill a vacancy: see reg 2M.4.01 of the Corporations Regulations and notional s1232R(3) (as inserted by [ASIC Corporations \(CCIV Auditors\) Instrument 2024/668](#)). In the case of the appointment of a retail CCIV auditor, corporate directors must notify ASIC within 14 days of the appointment.

Note: For more information about the process to resign as or remove an auditor of a registered scheme or retail CCIV (and their respective compliance plans): see Information Sheet 64 *Resignation and removal of auditors of registered schemes, retail CCIVs, compliance plans and registrable superannuation entities* ([INFO 64](#)).

- RG 26.83 Table 2 lists forms that the auditor of a registered scheme or retail CCIV (or their respective compliance plans), responsible entity or corporate director should lodge and their respective purposes:



**Table 2: List of ASIC forms**

Registered schemes	Retail CCIVs
<a href="#">Form 5132</a> Application for consent from ASIC for resignation or removal of registered scheme auditor	<a href="#">Form 5232</a> Application for consent from ASIC for resignation or removal of auditor for CCIV
<a href="#">Form 5112</a> Application for consent from ASIC to remove compliance plan auditor	<a href="#">Form 5212</a> Application for consent from ASIC to remove compliance plan auditor of a CCIV
<a href="#">Form 5113</a> Application for consent from ASIC to resign as compliance plan auditor	<a href="#">Form 5213</a> Application for consent from ASIC to resign as compliance plan auditor of a CCIV
<a href="#">Form 5114</a> Notification of request by responsible entity to change compliance plan auditor	<a href="#">Form 5214</a> Notification of request by corporate director to change compliance plan auditor of a CCIV
<a href="#">Form 5133</a> Notification of resignation, removal or cessation of a registered scheme auditor	<a href="#">Form 5230</a> Notification of appointment of auditor for a CCIV
<a href="#">Form 5137</a> Notification of appointment of scheme auditor	<a href="#">Form 5233</a> Notification of resignation, removal, or cessation of retail CCIV auditor

Source: For the full titles of forms, see 'Related information' at the end of this guide.

- RG 26.84 The following information should be provided with any resignation or removal application:
- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
  - (b) additional information from the outgoing auditor (see RG 26.35);
  - (c) information from the entity (see RG 26.36); and
  - (d) confirmation of the proposed incoming auditor (see RG 26.37).
- RG 26.85 In general, we will consent to the resignation or removal of an auditor of a registered scheme or retail CCIV (and their respective compliance plans) to take effect at any time of the year, subject to:
- (a) the considerations in RG 26.21; and
  - (b) the matters in RG 26.87–RG 26.90, as applicable.
- RG 26.86 The auditor of a registered scheme or retail CCIV compliance plan may become ineligible to act under s601HG(2) or 1226F(3). If this happens, the responsible entity or corporate director (as applicable) must remove the auditor: see s601HH(1)(a) and 1226J(1)(a). Our consent is not required in this case.

Note: If the auditor of a registered scheme or retail CCIV has become ineligible to act under Divs 2 or 3 of Pt 2M.4, the auditor ceases to hold office under s331AAA(2) (including as it applies under s1232R(2)). The auditor of a registered scheme or a retail CCIV ceases to hold office if the scheme or retail CCIV is wound up: see s331AD (including as it applies under s1232R(2) and s1232S(2)).

## Effective date of resignation or removal of an auditor

- RG 26.87 If we consent to the resignation of an auditor of a registered scheme or retail CCIV (and their compliance plans), the resignation will take effect on the later of:
- (a) the day of our consent; or
  - (b) the day (if any) specified in the notice of resignation given by the auditor to the scheme or CCIV; or
  - (c) a day that we specify (if any).
- RG 26.88 If we consent to the removal of an auditor of a registered scheme or retail CCIV (and their compliance plans), the removal will take effect when all of the consent conditions have been met. This will generally involve disclosure of the following details to any relevant market operator, or to members of the scheme or CCIV (as applicable), by a public notice displayed prominently on the responsible entity's or corporate director's website where the notice can reasonably be readily located and accessed by members:
- (a) details of the outgoing auditor;
  - (b) details of the proposed incoming auditor, and
  - (c) the reason for the change in auditor.
- RG 26.89 If we consent to the resignation of an auditor of a registered scheme or retail CCIV (and their compliance plans) that is a disclosing entity, then, depending on the circumstances, the responsible entity or corporate director may be required to lodge a continuous disclosure notice with ASIC or the relevant market operator containing the details listed at RG 26.88.
- Note: An unlisted disclosing entity may notify ASIC using [Form 1003](#) Disclosure notice for unlisted disclosing entity.
- RG 26.90 If we consent to the resignation of an auditor of a registered scheme or retail CCIV (and their compliance plans) that is not a disclosing entity, or is a disclosing entity that does not need to lodge a continuous disclosure notice, ASIC considers it best practice to disclose the details listed at RG 26.88, at or around the date when the resignation takes effect, by public notice displayed prominently on the responsible entity's or corporate director's website where the notice can reasonably be readily located and accessed by members.

## Auditors of RSEs

- RG 26.91 On 1 July 2023, all RSE auditors that had been appointed under the SIS Act were deemed to be the appointed RSE auditors for their respective RSEs under Ch 2M of the Corporations Act: see s331AF(2). All such appointments were individuals. From 1 July 2023, an audit firm or company may be appointed as an RSE auditor when a vacancy arises.

- RG 26.92 An RSE auditor who wishes to resign, or a superannuation trustee that wishes to remove an RSE auditor from office, must apply to ASIC for our consent: see s331AK(1) and 331AK(2). Both applications should be submitted through the [ASIC Regulatory Portal](#).
- RG 26.93 The applicant should provide the following information with their resignation or removal application:
- (a) a statement by the outgoing RSE auditor addressing key considerations (see RG 26.34);
  - (b) additional information from the outgoing RSE auditor (see RG 26.35);
  - (c) information from the superannuation trustee (see RG 26.36); and
  - (d) confirmation of the proposed incoming RSE auditor (see RG 26.37).
- Note: For more information about the process to resign as, or remove, an RSE auditor, see Information Sheet 288 *Resignation and removal of auditors of registrable superannuation entities* ([INFO 288](#)).
- RG 26.94 We may consult with APRA in relation to the resignation, removal or appointment of an RSE auditor. We will also consider obligations on RSE auditors in relevant APRA prudential standards.
- RG 26.95 In general, we will consent to the resignation or removal of an RSE auditor to take effect at any time of the year, subject to:
- (a) the considerations in RG 26.21; and
  - (b) the matters in RG 26.96–RG 26.98, as applicable.

### **Effective date of resignation or removal of an auditor**

- RG 26.96 If we consent to the resignation of an RSE auditor, the resignation will take effect on the later of:
- (i) the day of our consent;
  - (ii) the day (if any) specified in the notice of resignation given by the auditor to the superannuation trustee; or;
  - (iii) a day that we specify (if any).
- RG 26.97 If we consent to the removal of an RSE auditor, the removal will take effect when all of the consent conditions have been met. This will generally involve disclosure of the following details to members of the RSE by a public notice displayed prominently on the RSE's website where the notice can reasonably be readily located and accessed by members:
- (a) details of the outgoing auditor;
  - (b) details of the proposed incoming auditor; and
  - (c) the reason for the change in auditor.

- RG 26.98 If we consent to the resignation of an RSE auditor, no disclosure is required, however, ASIC considers it best practice to make disclosure of the details in RG 26.97 to members of the RSE.

## Auditors of AFS licensees

- RG 26.99 The audit of an AFS licensee involves conducting a financial audit and a compliance audit as to whether the licensee is complying with certain requirements of the Corporations Act and their AFS licence.
- RG 26.100 An auditor of an AFS licensee may resign if the auditor has applied, in writing, to ASIC for our consent and we have granted our consent: see s990G(1). Our consent must also be obtained if an AFS licensee wishes to remove an auditor from office: see s990F.

Note 1: If an AFS licensee is a public company, s990B–990H do not apply (s990A), and the resignation and removal of an auditor occurs under s329: see RG 26.57–RG 26.80.

Note 2: Where the AFS licensee is a proprietary company and engages an auditor under s325 to audit its financial report, the resignation and removal of the auditor occurs under s329. In this case, our consent is not required and the company must lodge [Form 315](#) within 14 days after receiving the notice of resignation from the auditor or after the removal: see s329(11)(c).

- RG 26.101 An auditor of an AFS licensee can apply for ASIC consent to resign. The auditor must use [Form FS08](#) *Application for consent from ASIC to resign as an auditor of an Australian financial services licensee*.
- RG 26.102 In addition, the AFS licensee can apply for ASIC consent to remove an auditor from office. The AFS licensees must also notify ASIC as soon as practicable after being advised that an auditor:
- (a) has died; or
  - (b) is prohibited from acting under s990D(1) (see reg 7.8.15(9) of the Corporations Regulations).

Both the application and notification by the AFS licensee must be submitted through the [ASIC Regulatory Portal](#) ('Notify ASIC or apply to ASIC about Australian financial services licensee auditor appointments').

Note: Once the position of auditor becomes vacant, a new auditor must be appointed within 14 days—see s990B(2) and reg 7.8.15(8) of the Corporations Regulations. The AFS licensee is then required to notify ASIC of the appointment, through the [ASIC Regulatory Portal](#) ('Notify ASIC or apply to ASIC about Australian financial services licensee auditor appointments') within 14 days of the appointment—see s990B(6).

- RG 26.103 The applicant should provide the following information with the application:
- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
  - (b) additional information from the outgoing auditor (see RG 26.35);

- (c) information from the entity (see RG 26.36); and
- (d) confirmation of the proposed incoming auditor (see RG 26.37).

Note: For more information about the process to resign as, or remove, an auditor of an AFS licensee, see Information Sheet 290 *Resignation and removal of an auditor of an Australian financial services licensee* ([INFO 290](#)).

- RG 26.104 In general, we will consent to the resignation or removal of an auditor of an AFS licensee to take effect at any time of the year, subject to:
- (a) the considerations in RG 26.21; and
  - (b) the matters in RG 26.105–RG 26.106, as applicable.

### **Effective date of resignation or removal of an auditor**

- RG 26.105 If we consent to the resignation of an auditor of an AFS licensee, the resignation will take effect on the later of:
- (a) the day of our consent;
  - (b) the day (if any) specified in the notice of resignation given by the auditor to the AFS licensee; or
  - (c) a day that we specify (if any).
- RG 26.106 If we consent to the removal of an auditor of an AFS licensee, the removal will only take effect on the day we give consent.
- RG 26.107 If the auditor of an AFS licensee has become ineligible to act under s990C and reg 7.8.16 of the Corporations Regulations, the licensee must remove the auditor: see s990F(a). Our consent is not required in this case.

## **Auditors of credit licensee trust accounts**

- RG 26.108 If a person is appointed as the auditor of a credit licensee to prepare a trust account audit report, the appointment is continuous until the first of the following events occurs:
- (a) the licensee is no longer required to keep a trust account;
  - (b) the auditor dies or otherwise ceases to engage in the business of being an auditor;
  - (c) the auditor is unable to perform their duties as the licensee's auditor;
  - (d) we approve the auditor's resignation; or
  - (e) we approve a request by the licensee to replace the person as auditor.

Note: See reg 19(4) of the National Credit Regulations.

- RG 26.109 A credit licensee trust account auditor may resign if the auditor has applied, in writing, to ASIC for our approval to the resignation, and we have granted

approval: see reg 19(4)(d). A credit licensee can also replace a trust account auditor, subject to our approval of the auditor's replacement: see reg 19(4)(e).

RG 26.110 Applications should be made using, as relevant:

- (a) [Form CL17](#) *Australian credit licence—Application for approval from ASIC to replace a trust account auditor*; or
- (b) [Form CL18](#) *Australian credit licence—Application for approval from ASIC to resign as a trust account auditor*.

RG 26.111 In addition, credit licensees must notify ASIC within 14 days after appointing a replacement for a trust account auditor whose appointment ceased under reg 19(4)(b)–(e) of the National Credit Regulations: see reg 19(5)(b). The credit licensee must use [Form CL16](#) *Australian Credit Licence—Notification of appointment of a trust account auditor*.

Note: A credit licensee must appoint a replacement trust account auditor who meets the requirements in reg 19(2) within 28 days of the cessation of the original auditor's appointment—see reg 19(5)(a).

RG 26.112 The auditor must make the resignation application and the credit licensee must make the replacement application. The applicant should provide the following information with the application:

- (a) a statement by the outgoing auditor addressing key considerations (see RG 26.34);
- (b) additional information from the outgoing auditor (see RG 26.35);
- (c) information from the entity (see RG 26.36); and
- (d) confirmation of the proposed incoming auditor (see RG 26.37).

RG 26.113 In general, we will approve the resignation or replacement of a credit licensee trust account auditor to take effect at any time of the year, subject to the matters outlined in RG 26.21.

## E How to apply to ASIC for consent

### Key points

Applications for consent to the resignation, removal or replacement of an auditor should be lodged at least four weeks before the intended date of change: see RG 26.114–RG 26.116.

We will assess each application based on the information submitted with it: see RG 26.117–RG 26.120.

We will form a view about whether to give our consent and provide notification of our decision, including to APRA where required: see RG 26.121–RG 26.123.

An outgoing auditor continues to act as auditor until we have granted consent: see RG 26.9–RG 26.10.

Applicants may apply for a review of our decision if we refuse to give our consent: see RG 26.124–RG 26.126.

### When to lodge an application

- RG 26.114 An application to ASIC for consent to the resignation, removal or replacement of an auditor may be lodged at any time of the year subject to the requirements in this guide that apply to the particular situation. An auditor continues to hold office until our consent to their resignation or removal has been granted. For this reason, auditor arrangements should not be changed before we have given our consent.
- RG 26.115 ASIC does not have the power to allow a resignation, removal or replacement to take effect before the date on which we give consent, nor can we backdate our consent. It is therefore important that applicants lodge their applications within a reasonable time so we can give due consideration to the information provided and arrive at a decision.
- RG 26.116 Generally, a reasonable time to apply for our consent is at least four weeks before the intended date of change. If you are using the [ASIC Regulatory Portal](#) for the first time to submit an application or notification, you should allow sufficient preparation time.

## How we assess an application

### Incomplete or deficient applications

- RG 26.117 If an applicant lodges an incomplete or deficient application with ASIC, we will send it back to the applicant for further information or correction. Examples of deficient applications include:
- (a) failing to pay the application fee on lodgement;
  - (b) using an incorrect application form for the intended purpose; or
  - (c) providing incorrect or incomplete information on the application form.
- RG 26.118 We will not assess applications that do not sufficiently address the matters referred to in this guide, or that are incomplete or deficient, until all relevant information is provided. In this case, we will seek correction of the deficiencies and ask for further information to support the application.

### Concerns about a change

- RG 26.119 If we have concerns about the resignation, removal or replacement of an auditor—whether these are brought to our attention in the application or otherwise—we will assess the nature of the concerns before determining whether to consent to, or refuse, the application.
- RG 26.120 We may initiate further procedures, and these may include one or more of the following:
- (a) asking the auditor or the entity to provide additional information; and/or
  - (b) convening a hearing under s51 of the *Australian Securities and Investments Commission Act 2001*.

## What notification we will give of our decision

- RG 26.121 For applications for the resignation of an auditor, we will notify both the auditor and the entity in writing when our decision has been made.
- RG 26.122 For applications for the removal or replacement of an auditor (other than for removal of the auditor of a public company under s329), we will notify the entity in writing of our decision. The entity should give written notice of our decision to the auditor. Such notice should not be given until after the entity has received notification of our decision.
- RG 26.123 For applications for the removal or resignation of an RSE auditor, we must notify APRA of our decision as soon as practicable after giving consent to the removal or resignation: see s331AK(8).



## How to apply for a review of our decision

- RG 26.124 You can apply to the Administrative Appeals Tribunal (AAT) for a review under s1317B if you are not satisfied with our decision.
- RG 26.125 You may apply to ASIC under s28 of the *Administrative Appeals Tribunal Act 1975* (AAT Act) to obtain the reasons for our decision. An application for a statement of reasons should be made in writing and should be lodged with ASIC within 28 days after the date of our notice of refusal.
- RG 26.126 If you choose to apply for a review of our decision without seeking a formal statement of reasons under s28 of the AAT Act, a written application should be lodged with the AAT within 28 days after the date of our decision.

## Appendix: Checklist of information to be provided with your application

### Outgoing auditor statement: see RG 26.34

For all applications, ensure that you have included a statement from the outgoing auditor as to:

- ☐ whether all matters that must be reported to ASIC under the relevant legislation have been reported at the date of the application, and any such further matters will be reported if they come to your attention before the resignation, removal or replacement;
- ☐ whether there are any disagreements with management or directors, trustee or the licensee;
- ☐ whether there is any evidence of opinion shopping;
- ☐ whether there are any other circumstances or matters connected with the outgoing auditor ceasing to hold office that should be brought to ASIC's attention;
- ☐ whether the auditor is unable to complete the audit under relevant legislation;
- ☐ whether the auditor provided an adverse or disclaimer opinion or qualification within the two most recent financial years and any subsequent interim period;
- ☐ for resignations, whether the outgoing auditor has notified the directors or licensee in writing of the application to ASIC for consent; and

For resignations that will take effect other than at an AGM,

- ☐ details of the timing of the proposed resignation.

### Outgoing auditor additional information: see RG 26.35

For applications for the resignation of an auditor, other than for the resignation of an auditor of a public company that takes effect at an AGM, ensure that you have included the following information from the outgoing auditor:

- ☐ details of the timing of the proposed resignation; and
- ☐ whether the auditor has provided an adverse or disclaimer opinion or qualification within the two most recent financial years and any subsequent interim period.

### Entity information: see RG 26.36

For all applications, ensure that you have included the following information from the entity:

- ☐ evidence of a resolution that the appointment of the proposed incoming auditor has been approved by the board of directors, superannuation trustee or the licensee, as relevant; and
- ☐ whether there are any disagreements with the auditor.

### Proposed incoming auditor's letter: see RG 26.37

For all applications, a letter from the proposed incoming auditor must include:

- ☐ their agreement to the appointment subject to ASIC consent to the resignation, removal or replacement of the outgoing auditor;
- ☐ their ability to fulfil obligations as auditor under relevant legislation and standards; and
- ☐ if the change is close to the reporting deadline, a statement that the incoming auditor can reasonably expect to conduct an effective audit before the reporting deadline.

### Application form and lodgement fee

The required completed application form and relevant fee payment (other than in the case of the resignation or removal of an RSE auditor, or for the resignation of a public company auditor).

Note: The [ASIC Regulatory Portal](#) provides details about payment options for applications submitted to it.

## Key terms

Term	Meaning in this document
AAT	Administrative Appeals Tribunal
AAT Act	<i>Administrative Appeals Tribunal Act 1975</i>
AFS licence	An Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services Note: This is a definition contained in s9.
AFS licensee	A person who holds an AFS licence under s913B of the Corporations Act
AGM	Annual general meeting held by a public company
AMM	Annual member meeting
APRA	Australian Prudential Regulation Authority
APRA prudential standards	Standards relating to prudential matters that APRA has determined under s34C of the SIS Act
ASIC	Australian Securities and Investments Commission
Banking Act	<i>Banking Act 1959</i>
CCIV	A corporate collective investment vehicle—a company that is registered as a corporate collective investment vehicle under the Corporations Act Note: This is a definition in s9.
Ch 2M (for example)	A chapter of the Corporations Act (in this example numbered 2M)
compliance plan	A compliance plan of a registered scheme and/or a compliance plan of a retail CCIV, unless otherwise specified
conflict of interest situation	Has the meaning given in s324CD of the Corporations Act Note: Subsection 324CD(2) is amended in relation to a retail CCIV by s1232N.
Corporations Act	<i>Corporations Act 2001</i> , including regulations made for the purposes of that Act
Corporations Regulations	<i>Corporations Regulations 2001</i>

Term	Meaning in this document
corporate director	The company named in ASIC's record of the CCIV's registration as the corporate director or temporary corporate director of the CCIV Note: This is a definition in s1224(3).
credit licence	An Australian credit licence under s35 of the National Credit Act that authorises a licensee to engage in particular credit activities
credit licensee	A person who holds an Australian credit licence under s35 of the National Credit Act
excluded approved deposit fund	Has the meaning given in s10(1) of the SIS Act
exempt public sector superannuation scheme	Has the meaning given in s10(1) of the SIS Act
financial year	Has the meaning given in s9 (companies, registered schemes, disclosing entities and AFS licensees) and in s323DAAA of the Corporations Act (RSEs)
Insurance Act	<i>Insurance Act 1973</i>
lead auditor	Has the meaning given in s11F of the SIS Act
Life Insurance Act	<i>Life Insurance Act 1995</i>
National Credit Regulations	National Consumer Credit Protection Regulations 2010
officer	Has the meaning given in s9AD of the Corporations Act Note: The meaning of 'officer' for auditor independence purposes is modified in relation to RSEs by s324CLA of the Corporations Act and for retail CCIVs by s1232Q.
pooled superannuation trust	Has the meaning given in s10(1) of the SIS Act
proprietary company	Has the meaning given in s9 of the Corporations Act
Pt 2M.4 (for example)	A part of the Corporations Act (in this example numbered 2M.4)
public company	Has the meaning given in s9 of the Corporations Act
reg 19(4) (for example)	A regulation of the National Credit Regulations (in this example numbered 19(4)), unless otherwise specified
registered scheme	A managed investment scheme that is registered under s601EB of the Corporations Act

Term	Meaning in this document
relevant legislation and standards	Means the Corporations Act, National Credit Regulations RSE licensee law and APRA prudential standards, as applicable
retail CCIV	A CCIV that satisfies the retail CCIV test in s1222K of the Corporations Act or is notified as a retail CCIV under s1222L of the Corporations Act  Note: This is a definition in s1222J.
RG 34 (for example)	An ASIC regulatory guide (in this example numbered 34)
rights of review	The right to have ASIC's decision reviewed by the AAT
RSA Act	<i>Retirement Savings Account Act 1997</i>
RSE	A registrable superannuation entity under s10(1) of the SIS Act (other than an exempt public sector superannuation scheme, excluded approved deposit fund or small APRA fund)
RSE auditor	Has the meaning given in s10(1) of the SIS Act  Note: An RSE auditor must be the same for RSE licensee law and Ch 2M purposes: see s35AC(8) of the SIS Act. An auditor ceases to be an RSE auditor under Ch 2M if they cease to be an RSE auditor under RSE licensee law, and vice versa: see s35AC(9) of the SIS Act and s331AH(2).
RSE licensee law	Has the meaning given in s10(1) of the SIS Act
s310 (for example)	A section of the Corporations Act (in this example numbered 310), unless otherwise specified
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
small APRA fund	Has the meaning given in s1017BB(6) of the Corporations Act
trust account auditor	Auditor of a credit licensee trust account

## Related information

### Headnotes

AFS licensees, AGM, annual general meeting, application for consent, appointment of auditor, audit report, auditor independence, cessation of auditor, compliance plans, conflicts of interest, corporate director, credit licensees, CCIV, deliberate disqualification, directors' resolution, lodgement of application, managed investment schemes, members' resolution, opinion shopping, registered schemes, registrable superannuation entity, relocation, removal of auditor, replacement of auditor, resignation of auditor, rights of review, RSE, superannuation trustee, trust account audit report, trust account auditor

### Regulatory guides

[RG 34](#) *Auditor obligations: Reporting to ASIC*

### Legislation

*Administrative Appeals Tribunal Act 1975*, s28

*Australian Securities and Investments Commission Act 2001*, s51

*Banking Act 1959*

*Corporations Act 2001*, Ch 2M; Divs 2, 2A, 3, 5 and 7 of Pt 2M.4; s250N(4), 311, 324AB(1)–(2), 324AC, 324CM, 325, 327B, 327C(1), 328B, 329, 331AAA, 331AC, 331AD, 331AF(2), 331AH(2)–(5), 331AK, 601HG, 601HH, 990A, 990B, 990C, 990D, 990E, 990F, 990G, 990H, 990K, 1226F(3), 1226H, 1226J, 1232R, 1232S(2), 1317B

*Corporations Regulations 2001*, regs 2M.4.01, 7.8.15, 7.8.16

*Insurance Act 1973*

*Life Insurance Act 1995*, s88

*National Consumer Credit Protection Act 2009*, s104

*National Consumer Credit Protection Regulations 2010*, reg 19

*Retirement Savings Account Act 1997*

*Superannuation Industry (Supervision) Act 1993*, s29P, 35AC, 129–130AA, 130BA–130BAA, 130C–130CA, 130D, 130EA

### Information sheets

[INFO 62](#) *Removal of an auditor of a company*

[INFO 64](#) *Resignation and removal of auditors of registered scheme financial report of a compliance plan*

[INFO 65](#) *Resignation of an auditor of a public company*

[INFO 131](#) *Obligations of companies limited by guarantee*

[INFO 183](#) *Directors and financial reporting*

[INFO 196](#) *Audit quality—The role of directors and audit committees*

[INFO 222](#) *Improving and maintaining audit quality*

[INFO 223](#) *Audit quality—The role of others*

[INFO 288](#) *Resignation and removal of auditors of registrable superannuation entities*

[INFO 290](#) *Resignation and removal of auditors of Australian financial services licensees*

## **ASIC forms**

[Form 315](#) *Notification of resignation, removal or cessation of auditor*

[Form 1003](#) *Disclosure notice for unlisted disclosing entity*

[Form 5112](#) *Application for consent from ASIC to remove compliance plan auditor*

[Form 5113](#) *Application for consent from ASIC to resign as compliance plan auditor*

[Form 5114](#) *Notification of request by responsible entity to change compliance plan auditor*

[Form 5131](#) *Application for appointment of scheme auditor by member of a registered scheme*

[Form 5132](#) *Application for consent from ASIC for resignation or removal of scheme auditor*

[Form 5133](#) *Notification of resignation, removal or cessation of a registered scheme auditor*

[Form 5137](#) *Notification of appointment of scheme auditor*

[Form 5208](#) *Notification of appointment of a temporary corporate director of a corporate collective investment vehicle*

[Form 5212](#) *Application for consent from ASIC to remove compliance plan auditor of a corporate collective investment vehicle*

[Form 5213](#) *Application for consent from ASIC to resign as compliance plan auditor of a corporate collective investment vehicle*

[Form 5214](#) *Notification of request by corporate director to change compliance plan auditor of a corporate collective investment vehicle*

[Form 5230](#) *Notification of appointment of auditor for a corporate collective investment vehicle*

[Form 5231](#) *Application for appointment of auditor by member of a corporate collective investment vehicle*

[Form 5232](#) *Application for consent from ASIC for resignation or removal of auditor for corporate collective investment vehicle*

[Form 5233](#) *Notification of resignation, removal, or cessation of auditor of a corporate collective investment vehicle*

[Form CL16](#) *Australian credit licence—Notification of appointment of a trust account auditor*

[Form CL17](#) *Australian credit licence—Application for approval from ASIC to replace a trust account auditor*

[Form CL18](#) *Australian credit licence—Application for approval from ASIC to resign as a trust account auditor*

[Form FS08](#) *Application for consent from ASIC to resign as an auditor of an Australian financial services licensee*

## **Other publications**

[SPS 310](#) *Audit and related matters*

[CPS 510](#) *Governance*

[SPS 510](#) *Governance*

[CPS 520](#) *Fit and proper*

[SPS 520](#) *Fit and proper*