

Attachment B to REP 813: Draft instrument



ASIC
Australian Securities &
Investments Commission

ASIC Corporations (Financial Reporting, Accounting and Audit) Instrument 2025/XXX

I, <insert name>, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 2025

[DRAFT ONLY – NOT FOR SIGNATURE]

<signature>

<insert name>

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Part 1—Preliminary

1 Simplified outline of this legislative instrument

This instrument sets out exemptions, declarations and an approval in relation to financial reporting, accounting and auditing requirements under Chapters 1, 2M, 2P, 5B, 6D, 7, 8B and 9 of the Act.

On financial reporting, this instrument provides:

- exemptions from requirements that apply generally to entities that are required to prepare financial and other reports;
- exemptions from particular requirements for parent entities, related registered schemes, non-reporting entities, disclosing entities in relation to partial year reporting, stapled entities, foreign entities, entities with a foreign parent and wholly-owned entities;
- an approval to allow electronic lodgment of certain reports with operators of eligible financial markets;
- exemptions from certain fundraising and financial product disclosure requirements in Chapter 6D and Part 7.9 of the Act respectively; and
- an exemption relating to profit and loss statement reporting for natural person financial services licensees.

On accounting, this instrument declares persons that are qualified accountants for the purposes of section 88B of the Act.

On auditing, this instrument provides:

- the ASIC approved auditing competency standard that a person seeking registration as an auditor must satisfy;
- an exemption for lead auditors from requirements to disclose certain contraventions in the auditor's independence declaration; and
- exemptions for large proprietary companies and small proprietary companies controlled by a foreign company from certain audit requirements.

The exemptions in this instrument apply in particular circumstances and are subject to various conditions.

2 Name of legislative instrument

This is the *ASIC Corporations (Financial Reporting, Accounting and Audit) Instrument 2025/XXX*.

3 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

4 Authority

This instrument is made under subsections 88B(2), 341(1), 352(1), 601CK(7), 741, 992B(1), 1020F and 1280A(1), and paragraph 1243(2)(b), of the *Corporations Act 2001*.

5 Definitions

In this instrument:

Act means the *Corporations Act 2001*.

Part 2—General financial reporting exemptions

6 Simplified outline of this Part

This Part sets out various exemptions from financial reporting requirements under Parts 2M.3 and 7.8 of the Act.

Subject to meeting various requirements, these exemptions allow:

- the presentation of a pro forma balance sheet in notes to financial statements to explain the financial effect of material acquisitions and disposals of entities and businesses after the end of a reporting period;
- entities to round amounts disclosed in a directors' report, a financial report and in financial statements for a financial services licensee;
- an item to be omitted from a financial report if the amount involved is nil; and
- some information to be transferred from a directors' report to the financial report or a separate document accompanying the directors' report and financial report.

7 Definitions in this Part

(1) In this Part:

alternative rounding factor means, in relation to a rounding factor, any of the following amounts which is less than the rounding factor:

- (a) 1/10th of 1 cent;
- (b) 1 cent;
- (c) \$1;
- (d) \$1,000;
- (e) \$100,000.

eligible report means:

- (a) a financial report;
- (b) a directors' report required by section 298 or section 302 of the Act;
- (c) a profit and loss statement and balance sheet required by section 989B of the Act.

rounding factor means, in relation to an amount that is required or permitted to be stated exactly in an eligible report:

- (a) \$1,000, in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period of more than \$1,000,000,000, in respect of:
 - (i) details, values and aggregates required to be disclosed in the directors' report under paragraph 300(1)(g), subsections 300(8), (9), (11B) and (11C), paragraph 300(13)(a) and paragraphs 300A(1)(c) and (1)(e) of the Act;
 - (ii) amounts required to be disclosed under paragraph 50 of Accounting Standard AASB 2 *Share-based Payment (AASB 2)* or paragraph 168 of Accounting Standard AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060)*;
 - (iii) remuneration of auditors required to be disclosed under paragraph 10 of Accounting Standard AASB 1054 *Australian Additional Disclosures* or paragraph 98 of AASB 1060;
 - (iv) compensation of key management personnel required to be disclosed under paragraph 17 of Accounting Standard AASB 124 *Related Party Disclosures (AASB 124)* or paragraph 194 of AASB 1060; and
 - (v) transactions between related parties required to be disclosed under paragraphs 18, 18A and 19 of AASB 124 or paragraphs 196, 198 and 199 of AASB 1060;
- (b) 1/10th of 1 cent, in respect of amounts required to be disclosed in accordance with paragraphs 66 to 69 of Accounting Standard AASB 133 *Earnings per Share*;
- (c) 1 cent, in relation to amounts required to be disclosed in accordance with paragraphs 44 and 46 of AASB 2, paragraph 164 of AASB 1060 and paragraphs 300(6)(c), (7)(d) and (7)(e) of the Act;
- (d) \$1, in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period of more than \$10,000,000 but not more than \$1,000,000,000, in respect of the items listed in subparagraphs (a)(i) to (v);
- (e) \$1, for all other purposes in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet of less than \$10,000,000;
- (f) \$1,000, for all other purposes in relation to an entity with total assets of more than \$10,000,000 and not more than \$1,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated

balance sheet, its own balance sheet at the end of the relevant period;

- (g) \$100,000, for all other purposes in relation to an entity with total assets of more than \$1,000,000,000 and not more than \$10,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period;
 - (h) \$1,000,000, for all other purposes in relation to an entity with total assets of more than \$10,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period.
- (2) Information is **material** in relation to a financial statement if its misstatement in or omission from the statement could influence the economic decisions taken on the basis of the statement.

8 Relief to allow financial statements to include details of events occurring after the balance date

Relief

- (1) A company, registered scheme, registrable superannuation entity or disclosing entity (each a **relevant entity**) does not have to comply with Part 2M.3 of the Act, and a retail CCIV does not have to comply with Part 2M.3 of the Act in relation to a sub-fund, to the extent that that Part prevents the notes to the financial statements and consolidated financial statements for a financial year or half-year (each a **relevant period**) from including a balance sheet (and, where applicable, a consolidated balance sheet) explaining the financial effect of acquisitions and disposals (each the **relevant transactions**) of entities and businesses after the end of the relevant period.

Where the relief applies

- (2) The relief in subsection (1) is available where both of the following apply:
- (a) either:
 - (i) the relevant transactions have a material effect on the relevant entity or sub-fund (as the case may be) and a single entity balance sheet is included in the notes to the financial statements that is either:
 - (A) an actual balance sheet drawn up to a point in time after the relevant transactions have occurred; or
 - (B) a pro forma balance sheet drawn up on the basis of the relevant entity's or sub-fund's (as the case may be)

actual balance sheet drawn up at the end of the relevant period or a later date; or

- (ii) consolidated financial statements are included in the financial report, the relevant transactions have a material effect on the consolidated entity and a consolidated balance sheet is presented in the notes to those consolidated financial statements that is either:
 - (A) an actual consolidated balance sheet drawn up to a point in time after the relevant transactions have occurred; or
 - (B) a pro forma consolidated balance sheet drawn up on the basis of the consolidated entity's actual consolidated balance sheet drawn up at the end of the relevant period or a later date;
- (b) where a pro forma balance sheet or pro forma consolidated balance sheet is included in a note to the financial statements in accordance with sub-subparagraph (a)(i)(B) or sub-subparagraph (a)(ii)(B):
 - (i) the pro forma balance sheet is prepared on a basis consistent with the accounting standards; and
 - (ii) the basis of preparation and any key underlying assumptions are disclosed in the note; and
 - (iii) any other material transactions or events after balance date are reflected in the note where necessary to ensure that the pro forma balance sheet is not misleading.

9 Relief and exemption to enable rounding in a report

- (1) A company, registered scheme, disclosing entity, financial services licensee, retail CCIV in relation to a sub-fund of the retail CCIV or registrable superannuation entity (each a **relevant entity**) does not have to comply with Part 2M.3 and Part 7.8 of the Act to the extent that those Parts require amounts required or permitted to be set out in an eligible report for a financial year or half-year (each a **relevant period**) to be stated exactly.

Where the relief or exemption applies

- (2) The relief or exemption in subsection (1) may be relied on where all of the following apply:
 - (a) the eligible report includes in substitution for an amount that would otherwise be required or permitted to be set out exactly:
 - (i) if the amount is half or less than half the rounding factor or alternative rounding factor—"nil" or the equivalent thereof; or

- (ii) in any other case, the amount rounded up or down to the nearest whole number multiple of the rounding factor or alternative rounding factor;
- (b) where an alternative rounding factor is applied under paragraph (a)(ii) instead of a rounding factor in relation to an amount, the alternative rounding factor is also applied in relation to every other amount in the eligible report for which the rounding factor is relevant;
- (c) where an amount is substituted under paragraph (a), the corresponding amount in respect of the comparative financial year or half-year is also shown in accordance that paragraph;
- (d) where amounts are rounded to the nearest \$100,000 in accordance with subparagraph (a)(ii), those amounts are presented in the form of a whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars, with a clear indication that the amounts are presented in millions of dollars (for example, in column headings or by placing the word “million” after the amounts);
- (e) none of the substitution or rounding of amounts in accordance with paragraphs (a) to (c) have the potential to adversely affect:
 - (i) decisions about the allocation of scarce resources made by users of the financial report (including consolidated financial statements, if any); or
 - (ii) the discharge of accountability by management or the directors of the relevant entity or in relation to the auditors;
- (f) the relevant eligible report states that the relevant entity is an entity to which this section applies and that amounts have been rounded off in accordance with this section;
- (g) the relevant eligible report clearly discloses on each page where amounts have been rounded the extent to which those amounts have been rounded.

10 Relief and exemption from including nil amount items in a report

- (1) A company, registered scheme, disclosing entity, financial services licensee, retail CCIV in relation to a sub-fund of the retail CCIV or registrable superannuation entity (each a **relevant entity**) does not have to comply with Part 2M.3 and Part 7.8 of the Act to the extent that those Parts require a financial report to include an item where the amount that would be shown against the item (including any comparative amount) would be nil.

- (2) The relief or exemption in subsection (1) may be relied on where the amount would be nil because it is covered by subparagraph 9(2)(a)(i) or otherwise.

11 Relief allowing transfer of information from the directors' report to the financial report or an accompanying document

- (1) A company, registered scheme or disclosing entity (each a **relevant entity**) does not have to comply with paragraph 298(1AA)(c), paragraph 298(1AB)(b), subsection 298(1A), sections 299 to 300 (other than subsections 300(11B) and (11C)) and section 300B of the Act to the extent that these provisions require certain information to be included in the directors' report (or in the financial report under subsection 300(2) of the Act) for a financial year (the **relevant period**).
- (2) A disclosing entity does not have to comply with section 306 of the Act to the extent that the section requires certain information to be included in the directors' report for a half-year (the **relevant period**).
- (3) A relevant entity does not have to comply with Part 2M.3 to the extent that it precludes information required to be included in the directors' report for the relevant period from being included in the financial report for the relevant period. This does not apply to information required by subsection 298(1A), sections 299 and 299A and subsection 306(2) of the Act.
- (4) The relief in subsections (1) to (3) is available where all of the following apply:
 - (a) all information (the **excluded information**) which is not included in the directors' report or the financial report is included in a document (the **accompanying document**) which accompanies the directors' report and financial report for the relevant period;
 - (b) the directors' report for the relevant period incorporates by reference the information that has been left out and includes a prominent cross-reference to the page or pages of the financial report or the accompanying document where the information has been set out;
 - (c) the relevant entity does not distribute or make available the directors' report and financial report for the relevant period to any person and takes reasonable steps to ensure that no other person distributes or makes available those reports without the accompanying document;
 - (d) the accompanying document is lodged with ASIC as if it were a part of the report required to be lodged with ASIC under section 319 or 320 of the Act for the relevant period;

- (e) any of the excluded information is included in or accompanies any concise report for the purposes of section 314 of the Act and is lodged with ASIC under section 319 of the Act.

Part 3—Exemptions for parent entities

12 Simplified outline of this Part

This Part sets out an exemption from the financial reporting requirements under Part 2M.3 of the Act to allow a parent entity to include a single entity financial statement in its financial report, subject to meeting various requirements.

13 Definitions in this Part

In this Part:

single entity financial statements means financial statements referred to in paragraph 295(2)(a) or 303(2)(a) of the Act.

14 Relief to enable the inclusion of single entity financial statements in parent entity financial statements

Financial year

- (1) A company, registered scheme, registrable superannuation entity or disclosing entity (each a *relevant entity*) that includes consolidated financial statements in its financial report for a financial year does not have to comply with subsections 292(1) and 314(1) of the Act to the extent that:
 - (a) subsection 295(2) of the Act prevents the inclusion of single entity financial statements in the financial report; and
 - (b) paragraph 295(3)(a) of the Act requires the inclusion of the information specified by regulation 2M.3.01 of the *Corporations Regulations 2001*.

Half-year

- (2) A relevant entity which is a disclosing entity that includes consolidated financial statements in its half-year financial report does not have to comply with section 302 of the Act to the extent that subsection 303(2) of the Act prevents the inclusion of single entity financial statements in the half-year financial report.

15 Conditions

The relevant entity must comply with the requirements of Part 2M.3 of the Act:

- (a) where subsection 14(1) applies—as if the single entity financial statements were required to be included in the financial report under subsection 295(2); and
- (b) where subsection 14(2) applies—as if the single entity financial statements were required to be included in the half-year financial report under subsection 303(2).

Part 4—Exemptions for related schemes

16 Simplified outline of this Part

This Part sets out an exemption from the financial reporting requirements under Part 2M.3 of the Act to allow a registered scheme and its directors to include the financial statements, notes to the financial statements and the directors' declaration of related registered schemes that have a common responsible entity (or related responsible entities) in the financial report of the scheme. This exemption is subject to meeting various requirements.

17 Definitions in this Part

(1) In this Part:

director means, in relation to a registered scheme, a director (as defined in section 9 of the Act) of the responsible entity of the scheme.

(2) A registered scheme is **related** to another registered scheme if:

- (a) the schemes have the same responsible entity; or
- (b) the responsible entities of the schemes are wholly beneficially owned by the same entity.

(3) A period is of the **same kind** as another period if:

- (a) both of the periods are financial years; or
- (b) both of the periods are half-years.

18 Relief enabling one financial report for related schemes

Relief

(1) A registered scheme (the **relevant scheme**) and its directors do not have to comply with Part 2M.3 of the Act to the extent that that Part prevents:

- (a) the financial report for a financial year or half-year (each a **relevant period**) or concise report for a financial year:
 - (i) including the single entity or consolidated financial statements, notes to those statements, directors' report and directors' declaration of one or more registered schemes (each an **included scheme**) that are related to the relevant scheme; and

- (ii) in the case of a concise report—omitting single entity reports for the relevant scheme; and
- (b) the directors' report of the relevant scheme including the directors' report of related schemes.

Where the relief applies

- (2) The relief in subparagraph (1)(a)(i) and paragraph (1)(b) is available where all of the following apply:
 - (a) each financial report of an included scheme is:
 - (i) a financial report for:
 - (A) the relevant period; or
 - (B) another period of the same kind that ends no more than 6 months before or after the end of the relevant period; and
 - (ii) audited by the same audit company, audit firm or individual auditor;
 - (b) the financial statements for the relevant scheme and each included scheme are presented in adjacent columns in the financial report for the relevant scheme;
 - (c) in any concise report for the relevant scheme, the consolidated financial statements or the consolidated financial statements and the single entity financial statements for the scheme and each included scheme are presented in adjacent columns;
 - (d) if an included scheme does not have the same responsible entity as the relevant scheme:
 - (i) the financial report contains:
 - (A) a prominent statement to the effect that only the responsible entity of a scheme takes responsibility for the financial report for the scheme; and
 - (B) a separate directors' declaration from each responsible entity covering the schemes that the responsible entity operates; and
 - (ii) there is a separate directors' report from each responsible entity covering the schemes that the responsible entity operates;
 - (e) where the directors' declaration covers more than one registered scheme, each declaration required by subsection 295(4) or 303(4) of

the Act (as relevant) is presented in a way that enables each scheme to which it relates to be readily identified;

- (f) the financial report for the relevant scheme includes statements indicating:
 - (i) the extent (if any) to which there are facilities in place for the proceeds of a withdrawal from the relevant scheme to be applied to the acquisition of an interest in any included scheme; and
 - (ii) whether further interests in the relevant scheme may be issued; and
 - (iii) where further interests in the relevant scheme may be issued—whether the proceeds of a withdrawal from any included scheme can be applied to acquire an interest in the relevant scheme;
 - (g) where a directors' report covers more than one registered scheme, the information included in it is presented in a way that enables each scheme for which any aspect is relevant to be readily identified.
- (3) The relief in subparagraph (1)(a)(ii) is available where:
- (a) the relief in subparagraph (1)(a)(i) is being relied on in relation to a concise report; and
 - (b) the concise report includes consolidated financial statements for the scheme.
- (4) The headings to the columns referred to in paragraphs (2)(b) and (c) must specify the period covered by the financial statement that is presented in the columns.

Part 5—Exemptions for non-reporting entities

19 Simplified outline of this Part

This Part sets out an exemption from the financial reporting requirements under Part 2M.3 of the Act so that an entity that is not a reporting entity under the accounting standards can comply with the same recognition and measurement requirements as apply to reporting entities.

20 Definitions in this Part

In this Part:

measurement requirement means a requirement in an accounting standard that is relevant to working out the cost or other value to be attributed to an asset, liability, revenue, expense or other item that is covered by a recognition requirement.

recognition requirement means a requirement in an accounting standard that an asset, liability, revenue, expense or other item is to be expressly reported on, or incorporated in amounts expressly reported on, in a financial statement to which the standard relates.

reporting entity has the same meaning as in Accounting Standard AASB 1057 *Application of Australian Accounting Standards*.

21 Relief in relation to recognition and measurement requirements for entities that are not reporting entities under the accounting standards

Relief

- (1) A company or registered scheme (each a **non-reporting entity**) that is not a reporting entity does not have to comply with subsection 292(1), subsection 296(1) and section 297 of the Act in relation to a financial report (the **relevant report**) for a financial year to the extent that those provisions require the relevant report to comply with a recognition requirement or a measurement requirement that would not have applied to a reporting entity.

Where the relief applies

- (2) The relief in subsection (1) is available where the non-reporting entity takes all reasonable steps to ensure that the relevant report complies with all recognition requirements and all measurement requirements as if it were a reporting entity.

Part 6—Exemptions for disclosing entities in relation to partial year reporting

22 Simplified outline of this Part

This Part sets out exemptions from the financial reporting requirements under Part 2M.3 of the Act for entities that commence, or cease, being a disclosing entity part way through a year. Subject to meeting various requirements, these exemptions:

- relieve an entity from reporting as a disclosing entity for a financial year if it ceases to be a disclosing entity before the earlier of the lodgment deadline and the deadline for reporting to members; and
- relieve a disclosing entity from the requirement to prepare a half-year report if its first financial year lasts for 8 months or less.

23 Definitions in this Part

In this Part:

disclosing entity:

- (a) a retail CCIV is a ***disclosing entity*** in relation to a sub-fund of the retail CCIV if any securities referable (within the meaning of subsection 1232F(2) of the Act) to the sub-fund are ED securities; and
- (b) otherwise, ***disclosing entity*** has the same meaning as in section 9 of the Act.

24 Relief for entities that stop being disclosing entities before the reporting deadline

Relief

- (1) A company or registered scheme (each a ***relevant entity***) that is a disclosing entity at the end of its financial year (the ***relevant financial year***) does not have to comply with the requirements of Chapter 2M of the Act to the extent that those requirements apply to the entity as a disclosing entity if the entity stops being a disclosing entity:
 - (a) in the case of a company—before the earlier of:
 - (i) the day 3 months after the end of the relevant financial year; and
 - (ii) if the company is required to have an AGM, 21 days before the date of the next AGM after the end of that year; and

- (b) in the case of a scheme—before the day 3 months after the end of the relevant financial year.
- (1A) A retail CCIV (the **relevant entity**) that is a disclosing entity in relation to a sub-fund of the retail CCIV at the end of its financial year (the **relevant financial year**) does not have to comply with the requirements of Chapter 2M of the Act to the extent that those requirements apply to the entity as a disclosing entity in relation to the sub-fund, if the entity stops being a disclosing entity in relation to the sub-fund before the day 3 months after the end of the relevant financial year.

Where the relief applies

- (2) The relief in subsection (1) is available where:
 - (a) in the case of:
 - (i) a company or scheme—the relevant entity complies with Chapter 2M of the Act as if it had not been a disclosing entity at the end of the relevant financial year; and
 - (ii) a retail CCIV—the retail CCIV complies with Chapter 2M of the Act in relation to the sub-fund as if it had not been a disclosing entity in relation to the sub-fund at the end of the relevant financial year; and
 - (b) the directors of the relevant entity resolve before the earlier of the days in paragraph (1)(a) or the day in paragraph (1)(b) (as relevant) that there are no reasons to believe that the entity may become a disclosing entity (or in the case of a retail CCIV, a disclosing entity in relation to the sub-fund) before the end of the financial year immediately after the relevant financial year.

25 Relief in relation to the half-year financial report and directors' report for disclosing entities with short first financial years

Relief

- (1) A company or registered scheme (each a **relevant entity**) that is a disclosing entity and a retail CCIV (a **relevant entity**) that is a disclosing entity in relation to a sub-fund of the retail CCIV has to comply with sections 302 or 306 of the Act for a half-year within the entity's first financial year (the **relevant financial year**) where that year lasts for 8 months or less.

Where the relief applies

- (2) The relief in subsection (1) is available where:
 - (a) either:

(i) the relevant entity:

(A) is listed; and

Note 1: A retail CCIV will be listed if its single sub-fund is included in such an official list even if the retail CCIV is not so included (see the definition of *listed* in section 9 of the Act).

Note 2: Neither a retail CCIV that has more than one sub-fund nor such a sub-fund may be listed: see section 1222N of the Act.

(B) gives to the operator of each prescribed financial market in relation to which the entity is listed a notice which explains the effect of this section and states that the entity intends to rely on it; or

(ii) the relevant entity:

(A) is unlisted; and

(B) gives to ASIC a notice which states that the entity intends to rely on this section; and

(b) in the case of:

(i) a company or scheme—the directors' report of the relevant entity for the relevant financial year explains the effect of this section and states that the entity relied on it; and

(ii) a retail CCIV—the directors' report of the retail CCIV in relation to the sub-fund for the relevant financial year explains the effect of this section and states that the retail CCIV relied on it in relation to the sub-fund.

The notice referred to in sub-subparagraph (a)(i)(B) or (a)(ii)(B) must be given to the operator or ASIC (as relevant) on or before the deadline for lodging the reports which would have been required to be prepared by section 302 of the Act but for this section.

Part 7—Exemptions for entities in stapled groups

26 Simplified outline of this Part

This Part sets out exemptions from the financial reporting requirements under Part 2M.3 of the Act for stapled entities.

Subject to meeting various requirements, these exemptions:

- allow a stapled issuer in a stapled group to include in a financial report or concise report combined or consolidated financial statements that include other stapled issuers and to present consolidated financial statements that include other group members;
- where the above relief is relied on, allow an entity in a stapled group to:
 - include in a financial report or concise report the single entity or consolidated financial statements and directors' declaration of other group members; and
 - prepare a sustainability report in relation to the stapled group as if it were a single entity, where the entity also relies on the relief to present combined or consolidated financial statements.

27 Definitions in this Part

(1) In this Part:

combine means the method to prepare combined financial statements.

combined financial statements means, in relation to a stapled group, financial statements that aggregate two or more entities that are members of the group, eliminating inter-entity transactions and balances, but without:

- (a) identifying an acquirer or one or more acquirees; and
- (b) eliminating equity or reserves of the acquirees that existed when the terms on which the securities of the entities were traded on a prescribed financial market first required the securities to be transferred together.

control has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

non-controlling interest has the same meaning as in accounting standard AASB 10 *Consolidated Financial Statements*.

other group members: see paragraph 28(1)(c)

previous reporting period means:

- (a) in relation to a relevant year, the half-year forming part of the relevant year; and
- (b) in relation to a relevant half-year, the financial year ending immediately before the relevant half-year.

relevant entity report: see paragraph 28(1)(c).

single entity financial statements means financial statements referred to in paragraph 295(2)(a) or 303(2)(a) of the Act.

stapled group means the group of entities consisting of:

- (a) a stapled issuer and each other stapled issuer a security of which under the terms on which it is traded on a prescribed financial market must be transferred with a security of the first-mentioned stapled issuer; and
- (b) all other entities controlled by the stapled issuers referred to in paragraph (a).

stapled issuer means an entity a security of which under the terms on which it is traded on a prescribed financial market, must be transferred together with a security of one or more other entities;

stapled security means a security of a stapled issuer which under the terms on which it is traded on a prescribed financial market, must be transferred together with a security of one or more other entities.

28 Relief to enable stapled issuers in a stapled group to include and present combined or consolidated financial statements

- (1) A company, registered scheme or disclosing entity (each a ***relevant entity***) which is a stapled issuer does not have to comply with:
 - (a) subsection 292(1) and subsection 314(1) of the Act in relation to a financial year (the ***relevant year***); and
 - (b) section 302 of the Act in relation to a half-year (the ***relevant half-year***);

to the extent that:

- (c) subsection 295(2) or 303(2) or paragraph 314(2)(a) of the Act prevents the inclusion in the financial report or concise report (each a ***relevant entity report***) of the relevant entity for the relevant half-year or relevant year of consolidated financial statements or combined financial statements that include the other entities (the

other group members) that are stapled issuers in the same stapled group as the relevant entity; and

- (d) subsection 296(1) or section 304 of the Act requires the relevant entity to present consolidated financial statements that do not include the other group members.
- (2) The relief in subsection (1) is available only where all of the following apply:
- (a) one of the following applies:
 - (i) the relevant entity prepared a financial report under Chapter 2M of the Act for the previous reporting period that contained consolidated financial statements or combined financial statements that included the other group members;
 - (ii) since the time that the stapled group included the relevant entity and the other group members, the relevant entity has not prepared a financial report under Chapter 2M of the Act other than the relevant entity report;
 - (b) the relevant entity report includes consolidated financial statements or combined financial statements (whichever was presented for the previous reporting period if subparagraph (2)(a)(i) applies or consolidated financial statements if subparagraph (2)(a)(ii) applies) that:
 - (i) consolidate any entities controlled by the relevant entity in accordance with accounting standard AASB 10 *Consolidated Financial Statements* other than the other group members; and
 - (ii) consolidate the other group members if consolidated financial statements are included; and
 - (iii) combine the other group members if combined financial statements are included;
 - (c) the consolidated or combined financial statements referred to in paragraph (1)(c) comply with Chapter 2M of the Act other than by including the other group members;
 - (d) each of the other group members are required to prepare financial reports for the relevant half-year or relevant year in accordance with Chapter 2M of the Act;
 - (e) the relevant entity report discloses whether the financial statements presented in accordance with this section are consolidated financial statements or combined financial statements;

- (f) the relevant entity report discloses the amounts attributed to non-controlling interests which are attributable to the holders of stapled securities.

29 Relief for stapled entities in a stapled group to present financial statements in a single report

- (1) A company, registered scheme or disclosing entity (each a **relevant entity**) does not have to comply with subsection 292(1), section 302 and subsection 314(1) of the Act in relation to the relevant half-year or relevant year to the extent that subsections 295(2), 303(2) or 314(2) of the Act prevent the inclusion in the relevant entity report of the single entity or consolidated financial statements and directors' declaration of other group members.
- (2) The relief in subsection (1) is available only where all of the following apply:
 - (a) the relevant entity or one of the other group members relies on the relief in subsection 28(1);
 - (b) all of the other group members are required to prepare financial reports for the relevant half-year or relevant year in accordance with Chapter 2M of the Act;
 - (c) all of the other group members rely on the relief in subsection (1) for the relevant half-year or relevant year;
 - (d) one of the following applies:
 - (i) such financial statements of the relevant entity and all other group members (including any single entity financial statements presented where the relief in Part 3 is relied on) are presented in adjacent columns in the relevant report;
 - (ii) financial statements are presented as follows in separate sections of the relevant report:
 - (A) in the first section—the consolidated financial statements or combined financial statements prepared in accordance with subsection 28(1) and, where the relief in Part 3 is relied on, the single entity financial statements of the relevant entity; and
 - (B) in the second section in adjacent columns—all other consolidated financial statements of the relevant entity and all other group members and any single entity financial statements (including those presented where the relief in Part 3 is relied on); or

- (iii) in the case of a financial report for a half-year or a concise report—one of the sets of financial statements permitted under subparagraphs (i) or (ii) (excluding any single entity financial statement that is not required under the Act and the accounting standard applicable to the report) is presented in adjacent columns in the relevant report where, if the set includes consolidated financial statements covering all of the entities in the stapled group, those financial statements are presented first.

30 Relief to enable a stapled entity's sustainability report to include other group members

- (1) A company, registered scheme or disclosing entity (each a **relevant entity**) does not have to comply with section 292A of the Act in relation to a financial year to the extent that any of sections 292A, 296A, 296B, 296C and 296D of the Act prevents the relevant entity from preparing a sustainability report:
 - (a) in relation to the relevant entity and all the other members of the stapled group as if they were a single entity; and
 - (b) that otherwise complies with Chapter 2M of the Act.
- (2) The relief in subsection (1) is available where both the following apply:
 - (a) the relevant entity or one of the other group members relies on the relief in subsection 28(1) in relation to the financial year;
 - (b) the sustainability report discloses that it was prepared in reliance on relief under this instrument.
- (3) A member of a stapled group does not have to comply with section 292A of the Act in relation to a financial year if another member of the stapled group has prepared a sustainability report in reliance on the relief in subsection (1).

Part 8—Exemptions for stapled issuers

31 Simplified outline of this Part

This Part sets out an exemption from the financial reporting requirements in Part 2M.3 of the Act for stapled issuers.

Subject to meeting various requirements, the exemption allows a stapled issuer and its directors to include:

- in the financial report or concise report of the stapled issuer—the single entity or consolidated financial statements of other stapled issuers in the same stapled group; and
- in the directors' report of the stapled issuer—the directors' reports of the other stapled issuers.

32 Definitions in this Part

(1) In this Part:

combined financial statements means, in relation to a stapled group, financial statements that aggregate two or more entities that are members of the group, eliminating inter-entity transactions and balances, but without:

- (a) identifying an acquirer or one or more acquirees; and
- (b) eliminating equity or reserves of the acquirees that existed when the terms on which the securities of the entities were traded on a prescribed financial market first required the securities to be transferred together.

control has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

stapled group means the group of entities consisting of:

- (a) a stapled issuer and each other stapled issuer a security of which under the terms on which it is traded on a prescribed financial market must be transferred with a security of the first-mentioned stapled issuer; and
- (b) all other entities controlled by the stapled issuers referred to in paragraph (a).

stapled issuer means an entity to which both of the following apply:

- (a) a security of the entity under the terms on which it is traded on a prescribed financial market, must be transferred together with a security of one or more other entities;
 - (b) there are no securities in the same class as the security first mentioned in paragraph (a) which may be transferred separately.
- (2) A person is a director of a registered scheme at a particular time if the person is a director of the responsible entity of the registered scheme at that time.

33 Relief for stapled issuers to present financial statements in a single financial report

Relief

- (1) A company, registered scheme or disclosing entity which is a stapled issuer (each a **relevant entity**) and its directors do not have to comply with Part 2M.3 of the Act in relation to a half-year or a financial year (each the **relevant period**) to the extent that that Part prevents:
 - (a) the inclusion in the financial report or concise report (each a **relevant entity report**) of the relevant entity of the single entity or consolidated financial statements, notes to those statements and directors' declaration of other entities (the **other group members**) that are stapled issuers in the same stapled group as the relevant entity; and
 - (b) the inclusion in the directors' report of the relevant entity of the directors' report of other group members.

Where the relief applies

- (2) The relief in subsection (1) is available where all of the following apply:
 - (a) all of the other group members:
 - (i) are required to prepare financial reports for the relevant period under Chapter 2M of the Act; and
 - (ii) rely on the relief in subsection (1);
 - (b) one of the following applies in relation to the financial statements for the relevant period:
 - (i) the financial statements of the relevant entity and all other group members (including any single entity financial statements presented where the relief in Part 3 is relied on) are presented in adjacent columns in the relevant entity report;

- (ii) the financial statements are presented as follows in separate sections of the relevant entity report:
 - (A) in the first section—the consolidated financial statements or combined financial statements and, where the relief in Part 3 is relied on, the single entity financial statements of the relevant entity; and
 - (B) in the second section in adjacent columns—all other consolidated financial statements of the relevant entity and all other group members and any single entity financial statements (including those presented where the relief in Part 3 is relied on); or
 - (iii) in the case of a financial report for a half-year or a concise report—one of the sets of financial statements permitted under subparagraphs (i) or (ii) (excluding any single entity financial statement that is not required under the Act and the accounting standard applicable to the report) is presented in adjacent columns in the relevant entity report where, if the set includes consolidated or combined financial statements covering all of the entities in the stapled group, those financial statements are presented first;
- (c) a directors' declaration covers more than one stapled issuer only where:
 - (i) each person who was a director of an issuer covered by the declaration at any time during the relevant period or when the declaration is made was also a director of each other issuer covered by the declaration at all times during the relevant period and when the declaration is made; and
 - (ii) each declaration required by subsection 295(4) or 303(4) of the Act (as relevant) is presented in a way that enables each issuer to which it relates to be readily identified;
- (d) where the relevant entity or one or more of the other group members is a registered scheme, the financial report contains a prominent statement to the effect that only the responsible entity of a scheme takes responsibility for the financial report for the scheme;
- (e) a directors' report covers more than one stapled issuer only where:
 - (i) each person who was a director of an issuer covered by the report at any time during the relevant period or when the report is made was also a director of each other issuer covered by the report at all times during the relevant period and when the report is made; and

- (ii) the information included in the report is presented in a way that enables each issuer for which any aspect is relevant to be readily identified.

Note: The relief in subsection (1) does not cover the inclusion of combined financial statements. Such financial statements may only be presented where doing so is otherwise permitted under Chapter 2M of the Act and applicable accounting standards.

Part 9—Exemptions for foreign entities and entities with a foreign parent

34 Simplified outline of this Part

This Part sets out exemptions from the financial reporting requirements under Part 2M.3 and section 601CK of the Act for foreign entities and entities with a foreign parent.

Subject to meeting various requirements, these exemptions:

- provide small foreign-controlled proprietary companies with relief from the reporting requirements under Part 2M.3;
- relieve a registered foreign company that satisfies requirements similar to those applying to a small Australian proprietary company from the requirements in section 601CK to lodge its balance sheet, cash flow statement and profit and loss statement; and
- allow an entity—that does not meet the requirements in the Act for changing its financial year—to synchronise its financial year with that of a foreign parent subject to certain conditions.

35 Definitions in this Part

In this Part:

combined revenue of the group means the sum of the revenue of all of the relevant entities in the group, while they are members of the group, making all adjustments as would be required in preparing consolidated financial statements under accounting standards in force at the relevant time (even if the standard does not otherwise apply to the financial year of some or all of the companies concerned).

combined value of gross assets of the group means the sum of the value of the gross assets of all of the relevant entities in the group, making all adjustments as would be required in preparing consolidated financial statements under accounting standards in force at the relevant time (even if the standard does not otherwise apply to the financial year of some or all of the companies concerned).

control has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

group means, in relation to a relevant entity for a financial year, the entity together with all of the following:

- (a) any other relevant entity which controlled the relevant entity at any time during, or at the end of, the financial year and which was registered or formed in Australia or carries on business in Australia;

- (b) any other relevant entity (a **corresponding relevant entity**) which is:
 - (i) controlled at any time during, or at the end of, the financial year by any foreign company which at the same time controls the relevant entity; and
 - (ii) incorporated or formed in Australia or carries on business in Australia during that part of the financial year when it is controlled by the same foreign company as controls the relevant entity;
- (c) any relevant entity which is controlled at any time during, or at the end of, the financial year by the relevant entity;
- (d) any relevant entity which is controlled by a corresponding relevant entity during that part of the financial year when the corresponding relevant entity is controlled by the same foreign company as controls the relevant entity.

large group means a group which, for a financial year, satisfies at least 2 of the following paragraphs:

- (a) the combined revenue of the group for the financial year is \$25 million, or any other amount prescribed for the purposes of paragraph 45A(2)(a) of the Act, or more;
- (b) the combined value of gross assets of the group at the end of the financial year is \$12.5 million, or any other amount prescribed for the purposes of paragraph 45A(2)(b) of the Act, or more;
- (c) the group has 50, or any other number prescribed for the purposes of paragraph 45A(2)(c) of the Act, or more employees (part-time employees being counted as an appropriate fraction of a full-time equivalent) at the end of the financial year.

relevant entity means a company, a registered scheme, a disclosing entity, any other corporation, a partnership, an unincorporated body or a trust.

36 Relief from the requirement for small foreign-controlled proprietary companies to prepare and lodge an audited financial report

Relief

- (1) A small proprietary company (the **Company**) which is controlled by a foreign company for all or part of a financial year (the **relevant financial year**) does not have to comply with Part 2M.3 of the Act as it applies because of paragraph 292(2)(b) of the Act in relation to the relevant financial year.

Where the relief applies

- (2) The relief in subsection (1) may be relied on where all of the following apply:
- (a) the Company is not part of a group controlled by a foreign company which is a large group for the relevant financial year;
 - (b) the directors of the Company have resolved, no earlier than 3 months before the start of the relevant financial year, that the relief in subsection (1) be relied on in respect of the relevant financial year;
 - (c) one of the following applies:
 - (i) the Company relied on the relief in subsection (1) in respect of the financial year immediately before the relevant financial year; or
 - (ii) notice of the resolution mentioned in paragraph (b) signed by a director or company secretary is lodged with ASIC using Form 384 during the period commencing 3 months before the commencement of the relevant financial year and ending 4 months after the end of the relevant financial year; or
 - (iii) both of the following apply:
 - (A) the Company relied on the relief in subsection (1) in respect of a previous financial year (the ***last reliance year***);
 - (B) the company was not able to rely on that relief in respect of each financial year since the last reliance year and before the relevant financial year because of the operation of paragraph (e);
 - (d) either of the following applies:
 - (i) the relief in subsection (1) is not relied on other than because of the operation of paragraph (e) in respect of the financial year (the ***first non-reliance year***) immediately after a financial year in which the relief was relied on and the Company lodges an annual financial report prepared under Chapter 2M of the Act for the first non-reliance year; or
 - (ii) notice the Company has stopped relying on the relief in subsection (1) signed by a director or company secretary is lodged with ASIC using Form 394 during the period starting 3 months before the commencement of the first non-reliance year and ending 4 months after the end of the first non-reliance year;

- (e) ASIC has:
 - (i) not notified the Company in writing that it may not rely on this order or may not rely on this order for the relevant financial year; or
 - (ii) notified the Company in writing that it may not rely on this order or may not rely on this order for the relevant financial year but has subsequently revoked or varied in writing that notice so that it does not cover the relevant financial year.

37 Relief for certain registered foreign companies from lodging financial statements

Declaration

- (1) Subsections 601CK(1) to (6) inclusive do not apply in relation to a calendar year (the relevant calendar year) commencing on or after 1 January 2017 in respect of a registered foreign company that satisfies subsection (2).
- (2) A registered foreign company satisfies this subsection if all of the following apply:
 - (a) the foreign company is registered under Division 2 of Part 5B.2 of the Act.
 - (b) the foreign company is subject to restrictions, limitations and prohibitions of the kind that section 113 of the Act imposes on proprietary companies that are:
 - (i) contained in the law of the place of origin of the foreign company or in the foreign company's constitution as required by that law; and
 - (ii) no less strict than those in that section;
 - (c) the foreign company is not required by the law in its place of origin to prepare any of the following:
 - (i) a balance sheet at the end of its last financial year;
 - (ii) a profit and loss statement for its last financial year;
 - (iii) a cash flow statement for its last financial year;
 - (d) the foreign company has not been a disclosing entity, borrower in relation to a debenture or guarantor of such a borrower at any time during the calendar year;

- (e) the foreign company satisfies at least 2 of the paragraphs in subsection 45A(2) (small proprietary companies) of the Act in relation to its last financial year;
- (f) either of the following applies:
 - (i) the foreign company is not part of a group which is a large group in relation to its most recent financial year; or
 - (ii) the foreign company was consolidated in financial statements which:
 - (A) cover the whole of that financial year; and
 - (B) were lodged with ASIC by a company, registered foreign company, registered scheme or disclosing entity which controlled the foreign company for the whole of that financial year (or by two or more such entities which controlled the foreign company at different times during that financial year provided that at any time during the financial year the foreign company was controlled by at least one of those entities).

Where the declaration applies

- (3) The declaration in subsection (1) applies in relation to a foreign company where ASIC has:
 - (a) not notified the foreign company in writing that it may not rely on subsection (1) or may not rely on that subsection for the relevant calendar year; or
 - (b) notified the foreign company in writing that it may not rely on subsection (1) or may not rely on that subsection for the relevant calendar year but has subsequently revoked or varied in writing that notice so that it does not cover the relevant calendar year.

38 Relief to enable an entity to synchronise its financial year with that of a foreign parent

- (1) An entity that is a company, registered scheme or disclosing entity and a director of the entity do not have to comply with a requirement arising from or under Part 2M.3 of the Act to the extent that:
 - (a) apart from this order, the entity or director would not comply with the requirement; and
 - (b) the non-compliance would result merely from:
 - (i) the entity or director complying with the requirement in relation to a period that:

- (A) is not a financial year of the entity within the meaning of section 323D of the Act; and
 - (B) is a financial year of the entity within the meaning of the law (*foreign law*) in the place of origin of a controlling entity (*foreign parent*) which was not incorporated or formed in Australia; or
- (ii) the entity or director complying with the requirement in relation to a period that:
 - (A) is not a half-year of the entity; and
 - (B) would be a half-year of the entity if the financial year of the entity within the meaning of the foreign law were the financial year of the entity for the purposes of subsection 323D(5) of the Act; and
- (c) the entity or director is complying with the requirement in relation to that period solely for the purpose of synchronising the financial year (within the meaning of the foreign law) of the entity with the financial year of the foreign parent.

Where the relief applies

- (2) The relief in subsection (1) is available where both of the following apply:
 - (a) the entity or director reasonably believes that:
 - (i) the foreign parent was required by the foreign law to cause the financial year (within the meaning of the foreign law) of the entity to be changed; and
 - (ii) the financial year (within the meaning of the foreign law) of the entity has been changed in accordance with that requirement;
 - (b) the financial year (within the meaning of the foreign law) is no longer than 18 months.

Conditions

- (3) The relief in subsection (1) is subject to the following conditions:
 - (a) if the financial year (within the meaning of the foreign law) is equal to or greater than 12 months, the directors of the entity have formed the opinion no earlier than 12 months and no later than 15 months after the commencement of that financial year that there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable (and evidenced this opinion in the minutes of a meeting of directors);

- (b) if the financial year (within the meaning of the foreign law) is a period of less than 12 months, the requirements of the Act, the *Corporations Regulations 2001*, the *Corporations (Fees) Regulations 2001* and any disallowable legislative instruments made by ASIC are applied in respect of that financial year as if:
 - (i) paragraph 45A(2)(a) of the Act applied as if the reference to “the financial year” in that paragraph were a reference to the period of 12 months ending at the end of the financial year (within the meaning of the foreign law); and
 - (ii) paragraph 45A(3)(a) of the Act applied as if the reference to “the financial year” in that paragraph were a reference to the period of 12 months ending at the end of the financial year (within the meaning of the foreign law);
- (c) if the entity or the director is relying on the relief in subparagraph (1)(b)(i), the notes to the financial statements of the entity that form part of the financial report prepared for the purposes of subsection 292(1) of the Act include a brief statement as to the relief provided by this instrument;
- (d) if the entity or the director is relying on the relief in subparagraph (1)(b)(ii), the notes to the financial statements of the entity that form part of the financial report prepared for the purposes of section 302 of the Act include a brief statement as to the relief provided by this instrument.

Part 10—Exemptions for wholly-owned companies that are party to a deed of cross-guarantee

39 Simplified outline of this Part

This Part sets out exemptions for wholly-owned companies and their directors, as applicable, from reporting and auditor appointment requirements under Part 2M.3 and Division 6 of Part 2M.4 of the Act.

These exemptions are subject to various requirements and conditions, including a requirement to enter a deed of cross-guarantee with the company's holding entity and other wholly owned entities of the group.

Where a wholly-owned company relies on the exemptions in this Part, it will not need to comply with requirements to:

- prepare a financial report and a directors' report for each financial year (subsection 292(1));
- have the financial report for a financial year audited in accordance with Division 3 of the Act and obtain an auditor's report (subsection 301(1));
- report to members for a financial year by providing the financial report for the year and the directors' report for the year within the prescribed time frame (subsection 314(1) and section 315);
- send reports to a member in accordance with a request under subsection 316(1) within the time required by subsection 316(2); and
- lodge the reports for with ASIC by the relevant deadline (subsection 319(1)).

The directors of a wholly-owned company that relies on the exemptions in this Part do not have to comply with the requirement under section 317 to lay reports before the annual general meeting of the company following the financial year.

A holding company is exempted from subsection 292(1) of the Act to the extent necessary to enable it to prepare a financial report that satisfies particular requirements of the wholly-owned companies relief.

40 Definitions in this Part

(1) In this Part:

additional consolidation information in relation to consolidated financial statements prepared by a holding entity for a financial year, means:

- (a) the following information for the financial year:

- (i) a statement of comprehensive income setting out the information specified by paragraphs 82 to 87 of Accounting Standard AASB 101 *Presentation of Financial Statements (AASB 101)* in force at the end of the financial year;
 - (ii) opening and closing retained earnings, dividends provided for or paid, and transfers to and from reserves;
 - (iii) a statement of financial position complying with paragraphs 54 to 60 of AASB 101 in force at the end of the financial year; and
- (b) if the holding entity was a holding entity for the purposes of this Part or *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, or a Holding Entity for the purposes of ASIC Class Order [CO 98/1418], at any time during the preceding financial year—comparative information for that immediately preceding financial year for the information referred to in paragraph (a).

ASIC Pro Forma 24 means ASIC Pro Forma 24 Deed of cross guarantee.

ASIC Pro Forma 27 means ASIC Pro Forma 27 Assumption deed.

assumption deed means:

- (a) in relation to a deed of cross guarantee, an Assumption Deed contemplated by the deed of cross guarantee; and
- (b) in relation to an entity that became party to a deed of cross guarantee by an Assumption Deed contemplated by the deed of cross guarantee, that Assumption Deed.

borrower in relation to debentures means a company that is or will be liable to repay money under a debenture, but does not include a company that only has debentures on issue that were issued or allotted:

- (a) by excluded issues to which paragraph 66(2)(d) of the Law applied as that Law stood before 13 March 2000; or
- (b) as a result of offers which did not need disclosure to investors under Part 6D.2 of the Act because of subsection 708(1) of the Act.

certificate in relation to a deed of cross guarantee or an assumption deed to which a company is a party, means one or more certificates in writing addressed to the company, the trustee and any alternative trustee under the deed of cross guarantee and to ASIC which together include statements to the following effect:

- (a) that the deed is in exactly the same terms as ASIC Pro Forma 24 or ASIC Pro Forma 27 as the case requires except for the following:

- (i) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the deed have been made;
 - (ii) execution clauses have been added, deleted, modified or varied as required in order to facilitate the proper execution of the deed;
 - (iii) the date has been completed;
 - (iv) the headnote, the headings before the headnote and any editorial note have been omitted;
 - (v) in the case of an assumption deed which covers more than one entity—such variations as are necessary to enable the additional entities to be covered;
 - (vi) in the case of an assumption deed which covers making the trustee of the deed of cross guarantee to which the assumption deed relates a member of the closed group—such variations as are necessary to enable the assumption deed to have that effect;
- (b) that, in relation to the execution of the deed by each party to it that is a company, either:
- (i) the deed appears to be signed in accordance with subsection 127(1) of the Act; or
 - (ii) the company's common seal appears to have been fixed to the deed, and the fixing of the seal appears to have been witnessed, in accordance with subsection 127(2) of the Act;

and the provider of the certificate does not know and has no reason to suspect that the deed has not been duly executed by the company;

- (c) that the provider of the certificate, after having made such inquiries as were reasonable in the circumstances, is of the opinion that the deed has been duly executed by each party to it that is not a company;

where the certificates referred to in paragraphs (a), (b) and (c) are given by a lawyer who holds a practising certificate.

closed group means the holding entity and the wholly-owned entities.

closely-held subsidiary: a body is a ***closely-held subsidiary*** of a holding entity if, and only if, no member of the body is a person other than:

- (a) the holding entity; or
- (b) a nominee of the holding entity; or
- (c) a body that is a closely-held subsidiary of the holding entity because of any other application or applications of this definition; or
- (d) a nominee of a body referred to in paragraph (c).

consolidated financial statements has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

control has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

deed of cross guarantee means each of the following:

- (a) in the case of a deed lodged with ASIC:
 - (i) before the day this section commences; or
 - (ii) for the purposes of ASIC Class Order [CO 98/1418] (as continued in force by section 73);a Deed of Cross Guarantee as defined in the first order to ASIC Class Order [CO 98/1418] (as continued in force by section 73);
- (b) a deed that has been lodged with ASIC for the purposes of this instrument and that is in exactly the same terms as ASIC Pro Forma 24 (as at the date of this instrument) except for the following:
 - (i) all instructions for the inclusion of specified information have been replaced by that information in a complete and accurate manner and any consequential changes of a minor or editorial nature that are necessary for the effective operation of the deed have been made;
 - (ii) execution clauses have been added as required in order to facilitate the proper execution of the deed;
 - (iii) the date has been completed; and
 - (iv) the headnote, the headings before the headnote and any editorial note have been omitted;

and includes such a deed as varied by:

- (c) an assumption deed that is lodged with ASIC together with a certificate relating to that deed; or
- (d) a revocation deed; or

- (e) in the case of a deed referred to in paragraph (a)—a deed of variation that is lodged with ASIC and that varies the deed to reflect any amendments to ASIC Pro Forma 24 made on or before the date of this instrument.

exempt entity means a company which is not controlled by a foreign company and which is:

- (a) a small proprietary company; or
- (b) a large proprietary company which:
 - (i) satisfied all of the requirements of subsection 319(4) of the Law (as taken to be included in the Act by subsection 1408(2) of the Act), or would have satisfied all of those requirements except that its financial statements or financial reports during 1993 or a later financial year were not audited before the deadline for reporting to members for that year in accordance with relief obtained under this Part, *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Unlisted Entities) Instrument 2020/395*, ASIC Class Order [CO 98/1418], or Australian Securities Commission Class Orders [CO 95/1530] or [CO 96/1579]; and
 - (ii) has not at any time during 1993 or a later financial year been a member of:
 - (A) a closed group for the purposes of this Part or *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*; or
 - (B) a Closed Group for the purposes of ASIC Class Order [CO 98/1418] or Australian Securities Commission Class Order [CO 95/1530];

where that closed group or Closed Group included a company which was not an exempt entity.

extended closed group means the closed group and any other bodies which are parties to the deed of cross guarantee and which are controlled by the holding entity, but does not include a body which:

- (a) holds office as trustee or alternative trustee under the deed of cross guarantee; and
- (b) is not a Group Entity (within the meaning of that deed).

first reliance year: see paragraph 42(1)(g).

foreign entity means an entity that is not a company or other body incorporated in Australia.

group has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

holding entity in relation to a company that is party to a deed of cross guarantee means a company, a disclosing entity which is a body incorporated in Australia, or a registered foreign company:

- (a) of which the company is a closely-held subsidiary; and
- (b) which is a party to the deed; and
- (c) which is not controlled by another of its closely-held subsidiaries which is also a party to the deed.

incorporated in relation to a country includes incorporated in part of the country.

Law means in relation to a company, the former Corporations Law of the State or Territory under which the company was registered immediately before the commencement of the Act; and includes a separate reference to the former Corporations Law of each other State and Territory.

notice of disposal means, in relation to a deed of cross guarantee, a notice of disposal contemplated by the deed of cross guarantee.

previous order means *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* or any one of Australian Securities Commission Class Orders [CO 91/996], [CO 92/770], [CO 93/1370], [CO 94/1862], [CO 95/1530] or [CO 96/153] or ASIC Class Order [CO 98/1418].

relevant financial year: see subsection 41(1).

relevant holding entity financial year: see paragraph 41(1)(d).

reporting entity has the same meaning as in Accounting Standard AASB 1057 *Application of Australian Accounting Standards*.

revocation deed means, in relation to a deed of cross guarantee, a Revocation Deed contemplated by the deed of cross guarantee.

wholly-owned entities in relation to a holding entity collectively means companies and foreign companies:

- (a) all of which are controlled by the holding entity; and
- (b) all of which are closely-held subsidiaries of the holding entity; and
- (c) all of which are parties to the deed of cross guarantee;

but does not include an entity which:

- (d) holds office as trustee or alternative trustee under the deed of cross guarantee; and
- (e) is not a Group Entity (within the meaning of that deed).

41 Financial reporting relief for wholly-owned entities

- (1) A company that was party to a deed of cross guarantee at the end of a financial year (***relevant financial year***) does not have to comply with any of the following requirements of Part 2M.3 of the Act in relation to the financial year:
 - (a) the requirement to prepare a financial report and a directors' report under paragraphs 292(1)(b) and (c) and paragraph 292(2)(b);
 - (b) the requirement to have the financial report audited and to obtain an auditor's report under subsection 301(1);
 - (c) the requirement to report to its members under section 314 within the time required by section 315;
 - (d) the requirement to send reports to a member in accordance with a request under subsection 316(1) within the time required by subsection 316(2).

Note: The requirement for a company to lodge a report with ASIC under section 319 of the Act will not apply if the company does not have to prepare or obtain the report: subsection 319(1).

- (2) The directors of a company referred to in subsection (1) do not have to comply with the requirement under section 317 to lay reports before the AGM of the company following the relevant financial year.

42 Where financial reporting relief applies

- (1) The relief in section 41 is available to a company and its directors in relation to a relevant financial year where all of the following are satisfied:

Nature of company

- (a) the company was:
 - (i) a public company for the relevant financial year; or
 - (ii) a large proprietary company for the relevant financial year; or

- (iii) a small proprietary company to which paragraph 292(2)(b) of the Act applies in relation to the relevant financial year at the relevant time;
- (b) the company was not, at any time during the relevant financial year, any of the following:
 - (i) a disclosing entity;
 - (ii) a borrower in relation to debentures;
 - (iii) the guarantor of such a borrower;
 - (iv) a financial services licensee;

Holding entity

- (c) there was a holding entity in relation to the company at the end of the relevant financial year;
- Note: This requires that the holding entity was party to the deed of cross guarantee at the end of the relevant financial year: see definition of **holding entity** in section 40.
- (d) the relevant financial year and the financial year (**relevant holding entity financial year**) of the holding entity ended on the same date;
 - (e) the holding entity was not a small proprietary company for the relevant holding entity financial year;

Opt-in notice

- (f) if:
 - (i) the company did not rely on the relief available under this Part or *ASIC Corporations Wholly-owned Companies) Instrument 2016/785* or ASIC Class Order [CO 98/1418] in respect of the financial year before the relevant financial year; or
 - (ii) the holding entity of the company was not the same for the relevant financial year and the financial year before;

the company has lodged by the relevant time a notice signed by a director or secretary with ASIC using ASIC Form 389 as at the date of this instrument, containing a statement that the company has taken advantage of relief under this instrument together with the identity of the holding entity;

Initial procedures in applying for relief

- (g) before the end of the first financial year (**first reliance year**) in respect of which the company took advantage of relief under this Part, *ASIC Corporations (Wholly-owned Companies) Instrument*

2016/785 or a previous order (being a financial year at the end of which the company was one of the wholly-owned entities of the holding entity):

- (i) the directors of the company resolved that the company should obtain the benefit of this Part, *ASIC Corporations (Wholly-owned Companies) Instrument 2016/786* or a previous order and the directors have not revoked that resolution or resolved to the contrary; and
- (ii) in respect of every other entity (the **other entity**) which has become a party to the deed of cross guarantee after 13 August 1998 and before the end of the first reliance year (irrespective of whether the other entity has taken advantage of relief under this Part, *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* or ASIC Class Order [CO 98/1418]) the directors of that other entity have made a statement:

Note: ASIC Class Order [CO 98/1418] was made on 13 August 1998.

- (A) signed by at least one director, and made before the end of the financial year in which it became a party to the deed of cross guarantee; and
 - (B) stating that in the directors' opinion immediately before the execution of the deed of cross guarantee or assumption deed by the other entity there were reasonable grounds to believe that the other entity would be able to pay its debts as and when they become due and payable;
- (h) either of the following applies:
- (i) before the end of the first reliance year, the directors of the company made a statement, signed by at least one director, stating that in the directors' opinion immediately before the execution of the deed of cross guarantee or assumption deed by the company there were reasonable grounds to believe that the company would be able to pay its debts as and when they become due and payable;
 - (ii) the company became a party to the deed of cross guarantee before 1 July 1997 and has lodged with ASIC by the relevant time a financial report or financial statements containing an unqualified directors' declaration (required by subsection 295(4) of the Act) or an unqualified directors' statement (required by section 301 or 302 of the Law as it stood before the *Company Law Review Act 1998*) in respect of a financial year which ended after becoming a party to the deed of cross guarantee and before the relevant financial year);

Annual resolution

- (i) at or about the end of the relevant financial year, the directors of the company:
 - (i) considered the advantages and disadvantages associated with the company remaining a party to the deed of cross guarantee and taking advantage of the relief afforded by this Part; and
 - (ii) resolved either:
 - (A) that the company should continue to remain a party to the deed of cross guarantee; or
 - (B) that the company should seek to revoke the deed of cross guarantee in respect of the company;

Deed of cross guarantee and membership of the closed group

- (j) either:
 - (i) the company remained as a wholly-owned entity of the holding entity at all times in the period from the end of the relevant financial year until the date on which:
 - (A) the consolidated financial statements required by paragraph (r); or
 - (B) the document required by subparagraph (s)(ii);are lodged with ASIC; or

Note: The circumstances in which the company will cease to be a wholly-owned entity of the holding entity include if either the company or the holding entity cease to be parties to the deed of cross guarantee: see definitions of *holding entity* and *wholly-owned entities* in section 40.

- (ii) otherwise, both the following apply:
 - (A) within one month after ceasing to be a wholly-owned entity of the holding company, the company became party to another deed of cross guarantee with another holding entity, an original of which has been lodged with ASIC;
 - (B) after making reasonable and diligent enquiries, the directors of the company have no reason to believe at the relevant time that the company may not be able to obtain relief under this instrument in respect of its next financial year;

- (k) except in relation to a deed of cross guarantee lodged with ASIC before 1 July 2004, at the relevant time:
 - (i) a company holds office as trustee under the deed of cross guarantee; and
 - (ii) if the person holding office as trustee under the deed of cross guarantee is a Group Entity (within the meaning of that deed), another person that is a company holds office as alternative trustee under that deed;
- (l) where the deed of cross guarantee was lodged with ASIC before 1 July 2004, that deed was approved by ASIC for the purposes of a previous order;
- (m) before the end of the relevant financial year:
 - (i) an original of:
 - (A) the deed of cross guarantee; and
 - (B) if the company became party to the deed of cross guarantee by an assumption deed—that assumption deed;has been lodged with ASIC; and
 - (ii) where the lodgment of a deed referred to in subparagraph (i) occurred on or after 1 July 2004—an original of a certificate relating to that deed has also been lodged with ASIC by the relevant time, where that certificate conforms with the definition of certificate as it appears in this instrument or the definition of Certificate as it appeared in a previous order at the time that the deed was lodged;

Foreign entities

- (n) as at the end of the relevant financial year, each member of the closed group other than the holding entity is:
 - (i) a company; or
 - (ii) a body incorporated in Australia, the United Kingdom, New Zealand, Singapore or Hong Kong;
- (o) if a foreign entity is party to the deed of cross guarantee, the directors of the company and the holding entity are satisfied (as evidenced by resolutions of the directors of those two entities), before the holding entity lodges the consolidated financial statements, that, on the basis of appropriate recent advice, the deed of cross guarantee is in a class of documents generally enforceable

in the place of incorporation or formation of the foreign entity as
against the foreign entity;

Bodies regulated by APRA

- (p) as at the end of the relevant financial year, no party to the deed of cross guarantee was a body regulated by APRA;

Variations to deed of cross guarantee

- (q) at the relevant time neither the company nor the holding entity have terminated, repudiated or attempted to repudiate or terminate or agreed to any variation of the deed of cross guarantee except by:
 - (i) an assumption deed that was either:
 - (A) lodged with ASIC together with a certificate relating to that deed, where that certificate conforms with the definition of certificate as it appears in this Part or the definition of Certificate as it appeared in a previous order at the time that the deed was lodged; or
 - (B) where the assumption deed was lodged with ASIC before 1 July 2004—approved by ASIC;
 - (ii) a revocation deed under which the deed of cross guarantee ceased to apply to one or more entities other than the company;
 - (iii) the substitution of a trustee, or addition or substitution of an alternative trustee:
 - (A) contemplated by the deed of cross guarantee; and
 - (B) if the variation was lodged with ASIC before 1 July 2004—approved by ASIC; or
 - (iv) any variation to reflect any amendment of ASIC Pro Forma 24;

Consolidated financial statements

- (r) the holding entity has prepared by the relevant time consolidated financial statements together with notes for the relevant holding entity financial year;
- (s) if the holding entity is not a registered foreign company:
 - (i) if the group comprising the holding entity and its controlled entities was not a reporting entity:

- (A) the consolidated financial statements cover at least those controlled entities which were part of the extended closed group and did not include any entities which were not controlled entities; and
 - (B) if the consolidated financial statements did not cover the entire group—the notes to the consolidated financial statements make it clear which entities are covered by those consolidated financial statements; and
 - (C) Accounting Standard AASB 10 *Consolidated Financial Statements* was applied as if the entities to which the consolidated financial statements relate were a reporting entity; and
 - (D) the holding entity complied with all of the other requirements of Chapter 2M of the Act that apply on or before 4 months after the end of the relevant financial year (or, as applicable, within the extended deadlines set out in *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Unlisted Entities) Instrument 2020/395* or *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451* in relation to the financial report, including the consolidated financial statements) as if the consolidated financial statements were part of its financial report; and
- (ii) if all entities in the closed group are exempt entities, the holding entity lodged with ASIC within 4 months after the end of the relevant financial year (or, for a financial year that ends between 31 December 2019 and 7 January 2021 (both inclusive) or between 23 June 2021 and 7 July 2021 (both inclusive) or between 24 December 2021 and 7 January 2022 (both inclusive) or between 24 June 2022 and 7 July 2022 (both inclusive), 5 months after the end of the relevant financial year) a document signed by one director or the company secretary (in accordance with a resolution of the directors) containing:
- (A) the information required by subparagraphs (v)(i) to (iv); and
 - (B) a statement that all entities in the closed group are exempt entities; and
 - (C) the statement required by paragraph (w); or
- (t) if the holding entity is a registered foreign company:

- (i) where the holding entity is controlled by a disclosing entity formed or incorporated in Australia, a company or a registered scheme—the holding entity prepared the consolidated financial statements:
 - (A) in accordance with the requirements of Chapter 2M (including subsection 295(4)) of the Act as if the holding entity were a public company; and
 - (B) the requirements of subparagraph (s)(i) may be applied as if the holding entity were not a registered foreign company; and
- (ii) where subparagraph (i) does not apply and a law in the place of origin of the holding entity applies to the preparation of the consolidated financial statements:
 - (A) the holding entity reasonably believes that it prepared the consolidated financial statements in accordance with the requirements of that law; and
 - (B) the consolidated financial statements covered the holding entity and at least those controlled entities which are part of the extended closed group (and included a note making it clear which entities were covered by the consolidated financial statements); and
- (iii) where neither subparagraph (i) nor (ii) applies—the holding entity prepared the consolidated financial statements in accordance with the requirements of Chapter 2M of the Act as to the form and content of consolidated financial statements, as if the holding entity were a public company and covering at least those entities in the extended closed group; and
- (iv) the holding entity has lodged with ASIC by the relevant time:
 - (A) the consolidated financial statements; and
 - (B) unless subparagraph (i) applies—a document signed by a director in accordance with a resolution of directors containing the statement required by paragraph (w);

Note 1: Where subparagraph (i) applies, such a statement will need to be included in the directors' declaration prepared because of subparagraph (i): see subparagraph (w)(i).

Note 2: The documents required by subparagraph (iv) must be lodged no later than 4 months after the end of the relevant financial year in order for the relief in section 41 to apply.

- (u) the consolidated financial statements include adequate provision in relation to the liabilities of any parties to the deed of cross guarantee

(other than a trustee or alternative trustee that is not a Group Entity within the meaning of the deed) which are not consolidated where it is probable that those liabilities will not be fully met by those parties;

- (v) the notes to the consolidated financial statements:
 - (i) include a short statement of the nature of the deed of cross guarantee; and
 - (ii) list the parties to the deed of cross guarantee as at the end of the relevant financial year, separately identifying:
 - (A) the members of the closed group; and
 - (B) the other members of the extended closed group; and
 - (iii) give details (including dates) of parties to the deed of cross guarantee which, during or since the relevant financial year, have been:
 - (A) added by an assumption deed; or
 - (B) removed by a revocation deed; or
 - (C) the subject of a notice of disposal; and
 - (iv) give details (including dates and reasons) of any entities which obtained relief under this Part, *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* or ASIC Class Order [CO 98/1418] at the end of the immediately preceding financial year but which were ineligible for relief in respect of the relevant financial year; and
 - (v) if the consolidated financial statements cover entities which are not members of the closed group, set out the additional consolidation information in respect of the consolidation of the entities which are members of the closed group (after eliminating all transactions between members of the closed group); and
 - (vi) if the consolidated financial statements cover entities which are not parties to the deed of cross guarantee, set out the additional consolidation information in respect of the consolidation of the holding entity and those entities which are parties to the deed of cross guarantee and controlled by the holding entity (after eliminating all transactions between parties to the deed of cross guarantee); and
 - (vii) if there are any parties to the deed of cross guarantee (other than a trustee or alternative trustee that is not a Group Entity

within the meaning of the deed) which are not controlled by the holding entity, set out the additional consolidation information in respect of those parties (either individually or in aggregate);

- (w) each of the following documents (as applicable) includes a statement as to whether, as at the date of the relevant document, there are reasonable grounds to believe that the members of the extended closed group (identified in the note required by subparagraph (v)(ii)) will be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee:
 - (i) the directors' declaration of the holding entity for the relevant financial year (including a directors' declaration prepared because of subparagraph (t)(i));
 - (ii) the document required by subparagraph (s)(ii);
 - (iii) the document required by sub-subparagraph (t)(iv)(B);

Auditor of the holding entity

- (x) if the holding entity's financial report is required to be audited, the auditor of the holding entity is satisfied by the relevant time that paragraph (r), subparagraphs (s)(i) and (t)(i) to (iii) and paragraphs (u), (v) and (w) (as applicable) have been complied with;

Compliance with conditions

- (y) the company has complied with each of the following as they apply to the company:
 - (i) the conditions in section 43; and
 - (ii) the conditions in paragraphs (ka) and (u) of the first order of ASIC Class Order [CO 98/1418] (as continued in force by section 73).
- (2) In this section, relevant time means, in relation to a relevant financial year, 4 months after the end of the year (or, for a financial year that ends between 31 December 2019 and 7 January 2021 (both inclusive) or between 23 June 2021 and 7 July 2021 (both inclusive) or between 24 December 2021 and 7 January 2022 (both inclusive) or between 24 June 2022 and 7 July 2022 (both inclusive), 5 months after the end of the year).

43 Conditions that apply to the financial reporting relief

Opt-out notice

- (1) If a company:

- (a) relies on the relief available under subsection 40(1) in relation to a financial year; and
- (b) does not rely on the relief in respect of the immediately following financial year (*first non-reliance year*); and
- (c) does not lodge an annual financial report prepared under Chapter 2M of the Act for the first non-reliance year;

the company must lodge with ASIC a notice signed by a director or company secretary that the company has ceased to rely on the relief using ASIC Form 399 as at the date of this instrument.

- (2) A notice required under subsection (1) must be lodged no later than 4 months after the end of the first non-reliance year.

Ceasing to be a wholly-owned entity

- (3) If a company:

- (a) relies on the relief available under subsection 41(1) in relation to a relevant financial year; and
- (b) ceases to be a wholly-owned entity of the holding company;

the company must, within 2 months of so ceasing, prepare a financial report and directors' report for the financial year and lodge those documents with ASIC unless:

- (c) within one month of so ceasing, the company becomes a party to another deed of cross guarantee and (after making reasonable and diligent enquiries) the directors of the company have no reason to believe that the company will not be able to rely on the relief available under subsection 41(1) in respect of its next financial year; or
- (d) the company was also subject to relief from the requirement to prepare a financial report under a provision of the Act or another ASIC instrument in respect of the relevant financial year; or
- (e) at the time the company ceases to be a wholly-owned entity it is less than 1 month until, or is after, the end of the first financial year immediately after the relevant financial year; or
- (f) ASIC has given the company written notice that it does not need to prepare and lodge those documents.

44 Companies excluded from relying on financial reporting relief

- (1) The relief in subsection 41(1) does not apply to a company in relation to a relevant financial year if:

- (a) ASIC has given a notice in writing to the company that it may not rely on that relief or may not rely on that relief for the relevant financial year; and
- (b) ASIC has not withdrawn that notice or varied that notice so that it does not cover the relevant financial year.

45 Relief from requirement to appoint auditor for public company that is party to a deed of cross guarantee

- (1) A public company does not have to comply with a requirement under section 327B to appoint an auditor of the company at an AGM.
- (2) A director of a public company does not have to comply with a requirement under section 327A or 327C in relation to the appointment of an auditor of the company.

46 When relief from the auditor appointment requirement applies

- (1) The relief in subsection 45(1) applies to a public company if, at the time the AGM is held:
 - (a) the company is party to a deed of cross guarantee; and
 - (b) after making reasonable and diligent enquiries, the directors of the company have no reason to believe that the company will not be able to rely on the relief available under subsection 41(1) in respect of the financial year during which the AGM is held.
- (2) The relief in subsection 45(2) applies to a director of a public company if, at the time of the auditor appointment deadline:
 - (a) the company is party to a deed of cross guarantee; and
 - (b) after making reasonable and diligent enquiries, the director has no reason to believe that the company will not be able to rely on the relief available under subsection 41(1) in respect of the financial year during which the auditor appointment deadline occurs.
- (3) In subsection (2), the ***auditor appointment deadline*** means:
 - (a) in relation to a requirement under section 327A—the deadline for appointing an auditor under subsection 327A(1); and
 - (b) in relation to a requirement under section 327C—the deadline for appointing an auditor under subsection 327C(1).

47 Relief allowing holding entity of a wholly-owned entity to include consolidated financial statements in a financial report

A holding entity of a company referred to in subsection 41(1) does not have to comply with subsection 292(1) of the Act in relation to the relevant financial year to the extent that any non-compliance would result merely from the holding entity preparing a financial report that includes either or both of the following:

- (a) if the group comprising the holding entity and its controlled entities was not a reporting entity—consolidated financial statements that have been prepared for the purposes of paragraph 41(1)(s);
- (b) notes to consolidated financial statements that have been prepared for the purposes of section 42 including the information specified in paragraph 42(1)(v).

Note: A financial report required to be prepared under section 292 must include the matters specified in section 295.

48 Lodging documents with ASIC

Where this Part refers to lodging a document with ASIC, that document may be lodged in an electronic format if so specified for the purposes of this Part in the ASIC Electronic Lodgement Protocol (the *ELP*). The electronic document must meet any requirements of the ELP and original documents must be retained if so specified in the ELP.

Part 11—Approval of electronic lodgment

49 Simplified outline of this Part

This Part sets out an approval under section 352 of the Act. Subject to various requirements, the approval allows an entity listed on an eligible financial market to lodge eligible reports electronically with the relevant market operator without also having to separately lodge the reports with ASIC.

50 Definitions in this Part

In this Part:

eligible financial market means a financial market operated by:

- (a) ASX Limited; or
- (b) National Stock Exchange of Australia Limited; or
- (c) SIM Venture Securities Exchange Limited; or
- (d) Sydney Stock Exchange Limited.

eligible report means a report that a listed disclosing entity has to prepare or obtain under Division 1 or 2 of Part 2M.3 of the Act and includes a concise report provided to members under section 314 of the Act and an amended report within the meaning of section 322 of the Act.

51 Electronic lodgment of reports with operators of eligible financial markets

- (1) ASIC approves the electronic lodgment of an eligible report by a listed disclosing entity that is included in the official list of an eligible financial market.
- (2) This approval applies where all the following are satisfied:
 - (a) the operator of the financial market is appointed as agent for ASIC to receive eligible reports electronically from listed disclosing entities;
 - (b) the eligible report is lodged with the operator electronically;
 - (c) the listed disclosing entity has adequate arrangements in place to ensure a signed copy of the eligible report is kept for a period of not less than 7 years from the time of electronic lodgment.

- (3) This approval does not apply in relation to a financial year of a listed disclosing entity which is not a company or registered scheme.

52 Approved form to accompany financial documents

For the avoidance of doubt, a listed disclosing entity that lodges an eligible report in accordance with the approval in section 51 does not have to comply with regulations 1.0.08 and 1.0.09 of the *Corporations Regulations 2001* in relation to the eligible report.

Part 12—Exemptions for the purposes of Chapters 6D and 7 of the Act

53 Simplified outline of this Part

This Part sets out some modifications to, and exemptions from, the fundraising and financial product disclosure requirements in Chapter 6D and Part 7.9 of the Act respectively.

Subject to meeting the various requirements, these modifications and exemptions:

- allow entities to disregard certain technical relief granted by ASIC when determining whether they can rely on certain exemptions and provisions under Chapter 6D and Part 7.9 of the Act;
- allow the period for a financial report included in an offer information statement to be longer or shorter than 12 months by up to seven days; and
- exempt a financial services licensee who is a natural person from the requirement to include in a profit and loss statement under section 989B of the Act any revenues and expenses that do not relate to its financial services business.

54 Disregarding technical relief for certain purposes under Ch 6D and Part 7.9 of the Act

Chapter 6D and Part 7.9 of the Act apply to all persons as if the following provisions were modified or varied:

- (a) in section 9, insert the following definition:

“technical relief instrument means any of the following:

- (a) *ASIC Corporations (Stapled Group Reports) Instrument 2015/838*;
- (b) *ASIC Corporations (Related Scheme Reports) Instrument 2015/839*;
- (c) *ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842*;
- (d) *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*;
- (e) *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82*;

- (f) *ASIC Corporations (Electronic Lodgment of Financial and Sustainability Reports) Instrument 2016/181*;
- (g) *ASIC Corporations (Uncontactable Members) Instrument 2016/187*;
- (h) *ASIC Corporations (Directors' Report Relief) Instrument 2016/188*;
- (i) *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*;
- (j) *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*;
- (k) *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*;
- (l) *ASIC Corporations (Extended Reporting and Lodgment Deadlines—Listed Entities) Instrument 2020/451*;
- (m) *ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195*;
- (n) *ASIC Corporations (Reporting by Stapled Entities) Instrument 2023/673*;
- (o) *ASIC Corporations (Financial Reporting, Accounting and Audit) Instrument 2025/XXX*;
- (p) an order under section 340 to the extent it relieves the entity, or any person as director or auditor of the entity, from the requirements of subsection 323D(3).

Note: In this definition, a reference to an instrument is taken to be a reference to the instrument as in force from time to time.”;

- (b) in section 9, in the definition of ***continuously quoted securities***, at the beginning of both subparagraphs (b)(ii) and (iii), insert “other than a technical relief instrument,”;
- (c) in paragraphs 708AA(2)(e), 708A(5)(d), 1012DAA(2)(e) and 1012DA(5)(d), at the beginning of each respective paragraph, insert “other than a technical relief instrument,”.

55 Relief to enable longer or shorter periods for a financial report in an offer information statement

Chapter 6D of the Act applies to all persons as if subsection 715(2) were omitted and substituted with the following subsection:

- “(2) The financial report included under paragraph (1)(i) must:

- (a) be a report for a 12 month period, or a period shorter or longer than 12 months but not by more than 7 days, and have a balance date that occurs within the last 6 months before the securities are first offered under the statement; and
- (b) be prepared in accordance with the accounting standards; and
- (c) be audited by a registered company auditor.

Note 1: The financial report can be the annual financial report lodged under Chapter 2M, provided the financial year to which the report relates ends within the last 6 months before the securities are first offered under the statement.

Note 2: If the body is subject to Chapter 2M, the financial report need not be an annual financial report lodged under that Chapter, provided the financial report otherwise complies with subsection (2).”.

56 Relief to enable omission of revenues and expenses unrelated to a natural person licensee’s profit and loss statement

A financial services licensee who is a natural person does not have to comply with subsection 989B(1) of the Act to the extent that the licensee is required to include in a profit and loss statement any revenues and expenses that do not relate to a financial services business carried on by the licensee.

Part 13—Qualified accountant declaration

57 Simplified outline of this Part

This Part declares that persons in certain classes of members of professional bodies are qualified accountants for the purposes of section 88B of the Act.

58 Definitions in this Part

In this Part:

eligible foreign professional body means each of the following:

- (a) American Institute of Certified Public Accountants;
- (b) Association of Chartered Certified Accountants (United Kingdom);
- (c) Canadian Institute of Chartered Accountants;
- (d) The Institute of Chartered Accountants in England and Wales;
- (e) The Institute of Chartered Accountants in Ireland;
- (f) The Institute of Chartered Accountants of Scotland.

59 Persons who are qualified accountants

All persons in the following classes of members of the following professional bodies are qualified accountants for the purposes of the Act:

- (a) any member of CPA Australia (*CPAA*) who:
 - (i) is entitled to use the post-nominals “CPA” or “FCPA”; and
 - (ii) is subject to CPAA’s continuing professional education requirements; and
 - (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to CPAA that they comply with CPAA’s continuing professional education requirements;
- (b) any member of Chartered Accountants Australia and New Zealand (*CA ANZ*) who:
 - (i) is entitled to use the post-nominals “CA” or “FCA”; and
 - (ii) is subject to CA ANZ’s continuing professional education requirements; and

- (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to CA ANZ that they comply with CA ANZ’s continuing professional education requirements;
- (c) any member of the Institute of Public Accountants (**IPA**) who:
 - (i) is entitled to use the post-nominals “AIPA”, “MIPA”, or “FIPA”; and
 - (ii) is subject to the IPA’s continuing professional education requirements; and
 - (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to the IPA that they comply with the IPA’s continuing professional education requirements;
- (d) any member of an **eligible foreign professional body** who:
 - (i) has at least 3 years of practical experience in accounting or auditing; and
 - (ii) is providing a certificate for the purposes of paragraph 708(8)(c) or 761G(7)(c) of the Act to a person who is resident in the same country (being a country other than Australia) as that member.

Part 14—Approval of auditing competency standards

60 Simplified outline of this Part

This Part approves the auditing competency standard that an applicant for registration as an auditor must satisfy if they do not have practical experience in auditing as prescribed in the *Corporations Regulations 2001*.

61 Definitions in this Part

In this Part:

2016 auditing competency standard means the *Auditing Competency Standard for Registered Company Auditors* dated August 2015 and issued by CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Accountants, as in force at the date of this instrument.

62 2016 auditing competency standard

The 2016 auditing competency standard is approved for the purposes of paragraph 1280(2)(b) of the Act.

Part 15—Declarations and relief in relation to auditors

63 Simplified outline of this Part

This Part sets out relief for lead auditors from the requirement under Part 2M.3 of the Act to declare certain non-material financial interests in an entity (or a controlled entity) audited by an audit firm where the interest is held by any other partner of the firm, their spouse (or equivalent) or their dependant. The relief applies if certain requirements are met in relation to the interest.

The Part also modifies section 1232R of the Act to confirm that the corporate director of a retail CCIV must lodge a Form 523 with ASIC within 14 days of appointing an auditor of a retail CCIV.

64 Definitions in this Part

In this Part:

audit engagement team, in relation to an audit or review of a financial report of a relevant entity for a relevant period, means the persons performing work on the audit or review of the financial report of the relevant entity for the relevant period.

CCIV provisions has the same meaning as in section 1243 of the Act.

Code means the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* as in force as at the date of this instrument.

control has the same meaning as in Accounting Standard AASB 10 *Consolidated financial statements*.

controlled entity, in relation to a relevant entity for a relevant period, means an entity controlled by the relevant entity during or since the relevant period.

engagement partner has the meaning given by the Code.

financial interest means:

- (a) a ‘direct financial interest’ within the meaning of the Code; or
- (b) an ‘indirect financial interest’ within the meaning of the Code and which is material.

relevant entity: see subsection 65(1).

relevant period means a financial year or half-year of a relevant entity.

relevant person means a person specified in paragraph R510.4(c) of the Code.

65 Relief from requirement to disclose certain contraventions in the auditor's independence declaration

- (1) This section applies in relation to an audit or review conducted by an audit firm or audit company of the financial report of a company, registered scheme, registrable superannuation entity or disclosing entity (each a **relevant entity**) for a relevant period.
- (2) The lead auditor for the audit is relieved from the requirement to set out in a written declaration under paragraph 307C(3)(d) of the Act details of a contravention of paragraph R510.4(c) of the Code in relation to a financial interest held by a relevant person in the relevant entity or a controlled entity.
- (3) The relief in subsection (2) applies where all of the following are satisfied:
 - (a) the fair value of the financial interest has not exceeded \$10,000 at any time during or since the relevant period;
 - (b) the engagement partner is satisfied that the financial interest was not material to the relevant person;
 - (c) the relevant person has given a written confirmation to the lead auditor that the financial interest:
 - (i) began to be held by the relevant person without the relevant person knowing that it was a financial interest in the relevant entity or a controlled entity; and
 - (ii) was divested as soon as possible, and no later than 7 days, after the relevant person became aware that it was a financial interest in the relevant entity or a controlled entity;
 - (d) the lead auditor has given a written report to the directors of the relevant entity stating that the relevant person held the financial interest in contravention of paragraph R510.4(c) of the Code;
 - (e) the directors of the relevant entity have passed a resolution to the effect that the holding of the financial interest by the relevant person did not affect the independence and objectivity of the audit firm, lead auditor, review auditor or any member of the audit engagement team; and
 - (f) as at the time the lead auditor signs the auditor's independence declaration in accordance with paragraph 307C(5)(b) of the Act in relation to the relevant entity for the relevant period, the relevant person does not hold the financial interest.

66 Notifying ASIC when an auditor for a CCIV is appointed

The CCIV provisions apply in relation to retail CCIVs as if section 1232R of the Act were modified or varied by inserting after subsection 1232R(2):

- “(3) The corporate director of a retail CCIV must lodge a notice in the approved form telling ASIC of the appointment by the CCIV of an auditor of the CCIV under section 331AAA or 331AAB of the Act (as applicable to the CCIV because of subsection (2)) within 14 days of the appointment.”.

Part 16—Audit exemptions

67 Simplified outline of this Part

This Part sets out exemptions from requirements under Ch 2M of the Act for certain proprietary companies if various requirements are met. Subject to meeting these requirements and subject to certain conditions, affected proprietary companies are exempted from the requirements to:

- have the company's financial report audited (subsection 301(1));
- provide an auditor's report to members (subparagraph 314(1)(a)(iii) and subsection 316(2)); and
- provide a statement by the auditor in relation to any concise financial report (paragraph 314(2)(c).

This Part also sets out an exemption for auditors of affected proprietary companies from the requirement to report on any discussion and analysis included in a concise financial report under subsection 314(3). The auditor exemption applies if the requirements applying to the above exemptions for affected proprietary companies are satisfied.

68 Definitions in this Part

In this Part:

approved subordinated debt means, in relation to a company, debt of the company which:

- (a) has been subordinated under an agreement which has:
 - (i) been executed by the company and the creditor and lodged with ASIC before the commencement of the relevant financial year; and
 - (ii) been approved by ASIC for the purposes of this Part, *ASIC Corporations (Audit Relief) Instrument 2016/784* or ASIC Class Order [CO 98/1417]; and
- (b) is not provided by an entity controlled by the company and is not funded directly or indirectly by the company or one of its controlled entities.

borrower in relation to debentures means a company that is or will be liable to repay money under a debenture, but does not include a company that only has debentures on issue that were issued or allotted:

- (a) by excluded issues to which paragraph 66(2)(d) of the Law applied as that Law stood before 13 March 2000; or

- (b) because of offers which did not need disclosure to investors under Part 6D.2 of the Act because of subsection 708(1) of the Act.

closed group has the same meaning as in Part 10.

control has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

extended closed group has the same meaning as in Part 10.

group has the same meaning as in Accounting Standard AASB 10 *Consolidated Financial Statements*.

Law means in relation to a company, the former Corporations Law of the State or Territory under which the company was registered immediately before the commencement of the Act; and includes a separate reference to the former Corporations Law of each other State and Territory.

management accounts means accounts which include an income statement, a statement of changes in equity, balance sheet and cash flow statement.

prescribed accountant means each of the following:

- (a) a member of CPA Australia (**CPAA**) who:
 - (i) is entitled to use the post-nominals “CPA” or “FCPA”; and
 - (ii) is subject to the CPAA’s continuing professional development requirements; and
 - (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to CPAA that they comply with the CPAA’s continuing professional development requirements;
- (b) a member of Chartered Accountants Australia and New Zealand (**CA ANZ**) who:
 - (i) is entitled to use the post-nominals “CA” or “FCA”; and
 - (ii) is subject to the CA ANZ’s continuing professional education requirements; and
 - (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to CA ANZ that they comply with the CA ANZ’s continuing professional education requirements;
- (c) a member of the Institute of Public Accountants (**IPA**) who:

- (i) is entitled to use the post-nominals “AIPA”, “MIPA”, or “FIPA”; and
 - (ii) is subject to the IPA’s continuing professional education requirements; and
 - (iii) at or about the time of the member’s most recent renewal of membership, has confirmed in writing to the IPA that they comply with the IPA’s continuing professional education requirements;
- (d) another accountant approved by ASIC for the purpose of compiling financial reports under this instrument and who reasonably believes that he or she complies with such requirements as may be specified by ASIC.

quarter means one of the periods of no more than 3 months into which the relevant financial year of a company is divided, as determined by the directors of the company.

relevant financial year: see subsection 69(1).

unapproved subordinated debt means any subordinated debt which is not approved subordinated debt.

69 Audit relief for large proprietary companies and small foreign controlled proprietary companies

- (1) A company does not have to comply with any of the following in relation to the company’s financial report for a financial year (**relevant financial year**):
- (a) subsection 301(1) of the Act;
 - (b) subparagraph 314(1)(a)(iii) of the Act;
 - (c) paragraph 314(1)(b) of the Act to the extent that a concise report required to be given under that paragraph must include:
 - (i) a statement by an auditor referred to in paragraph 314(2)(c) of the Act; or
 - (ii) a statement that the auditor’s report will be sent to a member free of charge if the member asks for it;

Note: See paragraph 314(2)(e) of the Act.

- (d) subsection 316(2) of the Act to the extent that it requires the company to send a member an auditor’s report on its financial report.

- (2) The auditor (if any) of the company does not have to comply with subsection 314(3) of the Act in relation to the company's financial report for the financial year.

70 Where the audit relief applies

The relief in section 69 is available to a company and its auditor in relation to a relevant financial year where all of the following are satisfied as at 4 months after the end of the relevant financial year:

Nature of company

- (a) the company was:
 - (i) a large proprietary company for the relevant financial year; or
 - (ii) a small proprietary company to which paragraph 292(2)(b) of the Act applies in relation to the relevant financial year;
- (b) if the company was a large proprietary company—subsection 319(4) of the Law, as taken to be included in the Act by subsection 1408(2) of the Act, does not apply to the company;
- (c) the company was not, at any time during the relevant financial year, any of the following:
 - (i) a disclosing entity;
 - (ii) a borrower in relation to a debenture;
 - (iii) the guarantor of such a borrower;
 - (iv) a financial services licensee;

Previous audits

- (d) *the company has not had its financial report or financial statements audited for a financial year ending during 1993 or any later financial year (except for a financial year which ended after 9 December 1995 and before 24 April 1997 if the company was a small proprietary company for that financial year and was controlled by a foreign company for all or part of that financial year);*

Resolutions by members and directors, and notice to ASIC

- (e) within the period commencing 3 months before the commencement of the relevant financial year and ending 4 months after the end of the relevant financial year, the following have occurred:
 - (i) all of the directors of the company have passed a unanimous resolution that the company's financial report for the relevant financial year should not be audited; and

- (ii) all of the members of the company (irrespective of whether they hold voting or non-voting shares) have passed a unanimous resolution that the company's financial report for the relevant financial year should not be audited; and
 - (iii) unless the company relied on the relief available under section 69 or, if applicable, *ASIC Corporations (Audit Relief) Instrument 2016/784* in respect of the financial year immediately preceding the relevant financial year, a notice of the resolutions mentioned in subparagraphs (i) and (ii) signed by a director or company secretary has been lodged with ASIC using ASIC Form 382 as in force at the date of this instrument;
- (f) before passing the resolution referred to in subparagraph (e)(ii), the members of the company were provided, either in the notice of meeting or in material accompanying a proposed resolution under section 249A of the Act, with a statement by the directors stating whether, in their opinion, the cost of having the financial statements audited outweighs the expected benefits of the audit and setting out their reasons for that opinion;

Notice requiring an audit

- (g) the company has not been given written notice that the relief under this section is not to apply to the company for the relevant financial year by:
- (i) a director, at any time before the directors' statement for the relevant financial year is signed; or
 - (ii) members who control 5% or more of the votes which might be cast at a general meeting of the company (as calculated as at the close of business on the day before the members serve the notice), at any time up to:
 - (A) one month before the end of the relevant financial year; or
 - (B) a later time if ASIC has given written notice to the company approving that time; or
 - (iii) any person who is owed approved subordinated debt by the company, at any time up to:
 - (A) one month before the end of the relevant financial year; or
 - (B) a later time if ASIC has given written notice to the company approving that time; or

(iv) ASIC;

Solvency declarations

- (h) the directors' declarations made under subsections 295(4) and (5) of the Act and former subsections 295(4) and (5) of the Law in respect of each financial year which ended on or after 1 July 1998 up to, and including, the relevant financial year contained unqualified statements that in the directors' opinion there were, when the declaration was made, reasonable grounds to believe that the company would be able to pay its debts as and when they become due and payable;
- (i) all directors' statements made under the former subsection 301(5) of the Law in respect of all years ending on or after 18 November 1996 contained unqualified statements that in the directors' opinion there were, when the statement was made, reasonable grounds to believe that the company would be able to pay its debts as and when they fell due;

Procedures to assess solvency

- (j) the company has had procedures in place from the commencement of the relevant financial year which enable all the directors to assess whether the company is able to pay all its debts as and when they become due and payable (including, without limiting the generality of this requirement, any debts for which the company may become liable by virtue of any deed of cross guarantee to which the company is party for the purposes of relief to its wholly-owned entities in Part 10 and the nature and frequency of those procedures were adequate for that purpose, having regard to the business and financial circumstances of the company;

Quarterly management accounts

- (k) to enable the directors to make the resolution required in paragraph (l), the directors of the company have caused management accounts covering the company to be prepared for each quarter:
 - (i) within one month after the end of the quarter; or
 - (ii) by a later time if ASIC has given the company written notice approving that time;
- (l) within one month after the end of each quarter, or by a later time if ASIC has given the company written notice approving that time:
 - (i) the directors have considered:
 - (A) the management accounts prepared for that quarter; and

- (B) all information that has become available since the end of the quarter about the company's affairs which is material to the assessment of the management accounts for that quarter; and
- (ii) having regard to the management accounts and that information, the directors have resolved that, at the end of the quarter and at the time the resolution was made:
 - (A) the total liabilities of the company did not exceed 70% of total tangible assets of the company; and
 - (B) the company was able to pay its debts as and when they become due and payable;
- (m) if the company prepared management accounts on a consolidated basis for any quarter during the relevant financial year, at the end of any such quarter and at the time a resolution is made in accordance with paragraph (l), the total consolidated liabilities did not exceed 70% of the total consolidated tangible assets;
- (n) if, at the end of any quarter during the relevant financial year, the company is a party to any deed of cross guarantee for the purposes of relief to its wholly-owned entities under Part 10, the directors have resolved that, at the end of any such quarter and at the time the resolution is made in accordance with paragraph (l), the total consolidated liabilities did not exceed 70% of the total consolidated tangible assets in respect of:
 - (i) if the company prepares management accounts on a consolidated basis covering those (and only those) entities comprising the closed group—those entities; and
 - (ii) if the company prepares management accounts on a consolidated basis covering those (and only those) entities comprising the extended closed group—those entities;

Annual financial requirements

- (o) at the time the directors' declaration was made under subsections 295(4) and (5) of the Act for the relevant financial year, the directors considered:
 - (i) the financial report of the company for the relevant financial year (including any consolidated financial statements required by accounting standards); and
 - (ii) all information that has become available since the end of the relevant financial year about the company's affairs, which is material to the assessment of the financial report of the

company, and, where relevant, the assessment of the consolidated financial statements;

and, having regard to this information, the directors resolved that, at the end of the relevant financial year and at the time the resolution was made:

- (iii) the total liabilities of the company did not exceed 70% of total tangible assets of the company;
- (iv) if relevant, the total consolidated liabilities did not exceed 70% of the total consolidated tangible assets for the company and its controlled entities; and
- (v) if the company is a party to any deed of cross guarantee for the purposes of relief to its wholly-owned entities under Part 10, the total consolidated liabilities did not exceed 70% of total consolidated tangible assets in respect of:
 - (A) those (and only those) entities comprising the closed group; and
 - (B) those (and only those) entities comprising the extended closed group;
- (p) for either the relevant financial year or the financial year immediately preceding the relevant financial year, the company made a profit after related income tax expense on the following bases:
 - (i) a single entity basis;
 - (ii) if the company is a party to any deed of cross guarantee for the purposes of relief to its wholly-owned entities under Part 10, on a consolidated basis separately for both:
 - (A) those (and only those) entities comprising the closed group; and
 - (B) those (and only those) entities comprising the extended closed group; and
 - (iii) if the company is required under the Act or another ASIC order under section 340 or 341 of the Act to prepare consolidated financial statements, on a consolidated basis for the company and its controlled entities;
- (q) assets, liabilities, and profit after related income tax expense for the purposes of paragraphs (l) to (p) have been determined in accordance with accounting standards (as if the company, any controlled entities and the group were reporting entities) except that

liabilities must include any unapproved subordinated debt and may exclude approved subordinated debt;

Compilation of the financial reports

- (r) the directors of the company have caused the financial report for the relevant financial year of the company to be compiled by a prescribed accountant and reasonably believe that the accountant has undertaken the compilation in accordance with APES 315 *Compilation of Financial Information (APES 315)*;
- (s) a compilation report that the directors of the company reasonably believe has been prepared by the prescribed accountant in accordance with APES 315 is attached to the relevant financial report and is included with all copies of the relevant financial report distributed to members, lodged with ASIC or provided to any other person;

Lodgment of financial reports

- (t) the financial report and directors' report for the relevant financial year and for the immediately preceding financial year:
 - (i) substantially comply with Chapter 2M of the Act; and
 - (ii) are or were lodged with ASIC in accordance with subsection 319(1) and paragraph 319(3)(b) of the Act;

Statement in directors' report

- (u) in the directors' report for the relevant financial year, the directors state that the financial report for that relevant financial year has not been audited, in reliance on this instrument, and that the requirements of this instrument have been complied with;

No proposed modified auditor's report

- (v) no registered company auditor has indicated to the company, any of its directors or other officers that, if the financial report of the company for the relevant financial year were audited in accordance with Division 3 of Part 2M.3 of the Act, the auditor's report may contain a modified opinion within the meaning of paragraph 5(b) of Auditing Standard ASA 705 *Modifications to the Opinion in the Independent Auditor's Report*, and there are no material disagreements or unresolved issues as between the company and any such auditor in relation to accounting treatments or amounts that may appear in the financial report of the company for the relevant financial year;

Compliance with conditions

- (w) the company has complied with each of the following as they apply to the company:
 - (i) the conditions in section 71; and
 - (ii) the condition in paragraph (fa) of ASIC Class Order [CO 98/1417] (as continued in force by section 76).

71 Conditions for the audit relief

Ceasing to rely on relief

- (1) If a company:
 - (a) relies on the relief available under subsection 69(1) in respect of a financial year; and
 - (b) does not rely on that relief in respect of the immediately following financial year (***first non-reliance year***);

the company must lodge with ASIC a notice signed by a director or company secretary that the company has ceased to rely on the relief using ASIC Form 396 as at the date of this instrument.

- (2) A notice required under subsection (1) must be lodged during the period commencing 3 months before the commencement of the first non-reliance year and ending 4 months after the end of the first non-reliance year.

Requests for management accounts

- (3) If:
 - (a) a member or a person who is owed approved subordinated debt requests, in writing, a copy of the management accounts mentioned in paragraphs 70(k), (m) or (n) or a copy of the directors' resolution mentioned in paragraph 70(l) for a quarter specified in the request; and
 - (b) the request is made within 7 years after the end of the quarter to which the management accounts or directors' resolution relates;

the company must make a copy of the management accounts or the resolution (as the case may be) available to that person, free of charge, at the company's registered office or by sending these documents by pre-paid ordinary post:

- (c) within 14 days after receiving the request or 14 days after the resolution is passed, whichever is later; or

- (d) by a later time if ASIC has given the company written notice approving that time.

Part 17—Savings and transitional

<to be inserted in final instrument>

Part 18—Repeal

76 Repeal

This instrument is repealed at the start of <insert date>.