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Waverley Duong
Senior Lawyer Corporations
Australian Securities and Investments Commission
GPO Box 9827
Brisbane QLD 4001

email: policy.submissions@asic.gov.au

ASIC Consultation Paper 337: Externally administered companies: Extending financial reporting and AGM relief

Dear Waverley

The Property Council welcomes the opportunity to provide comments on the ASIC Consultation Paper 337: Externally administered companies: Extending financial reporting and AGM relief.

The Property Council of Australia champions the industry that employs 1.4 million Australians and shapes the future of our communities and cities. Property Council members invest in, design, build and manage places that matter to Australians: our homes, retirement villages, shopping centres, office buildings, industrial areas, education, research and health precincts, tourism and hospitality venues and more.

We welcomed the proposals related to RG 174 in the 2014 Consultation Paper 223 which provided practical pathways that modified reporting, stripped away unnecessary costs, and preserved funds for payment to members and creditors. The Property Council now supports the broad intent of Consultation paper 337 to extend relief to a company from its financial reporting obligations and the time in which an externally administered public company must hold an AGM.

24-month deferral of financial reporting obligations

Six months is not always sufficient for companies in external administration to comply with financial reporting and AGM obligations. We support ASIC's proposal to extend relief in the instrument to a 24-month deferral of financial reporting obligations and AGM deferral. This amount of time is reasonable for an external administrator to progress the external administration.

It is important that safeguards are built into the extension, to ensure that companies are not abusing the 24-month deferral of financial reporting. There are some circumstances where

extending financial reporting relief may not be suitable, particularly if there are assets involved in the external administration.

Cessation Trigger

The Property Council supports the inclusion of a cessation trigger related to the end of an external administration, which will help ensure that a company exiting external administration does not continue to benefit from a deferral of financial reporting relief.

Management Accounts

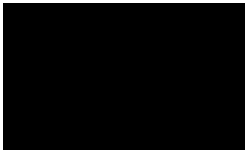
We welcome the new condition for companies to provide management accounts for each financial year and each half-year to members. It is important that members and creditors can obtain information about the company's affairs.

AGM Relief

ASIC's proposal to defer AGM obligations until two months after their reporting deferral relief expires is supported by The Property Council.

If you would like to discuss any aspect of this submission further, please contact Adele Lausberg on [REDACTED] and [REDACTED] or myself on [REDACTED] and [REDACTED]

Yours sincerely



Belinda Ngo
Executive Director, Capital Markets