Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Level 31
477 Collins Street
Melbourne VIC 3000

Tel: +61 3 9671 7000
www.deloitte.com.au

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Australian Securities and Investments Commission
GPO Box 9827
MELBOURNE VIC 3001

By email: rri.consultation@asic.gov.au

To whom it may concern

ASIC Simple Consultation 24 *Proposed remake of financial reporting-related legislative instruments*

Deloitte welcomes the opportunity to respond to the Australian Securities and Investments Commission's (ASIC) Simple Consultation 24 *Proposed remake of financial reporting-related legislative instruments*, which was released on 7 July 2025 and proposes to remake five legislative instruments that are scheduled to sunset on 1 October 2025.

We agree that the instruments outlined in the consultation are operating effectively and efficiently and support remaking of the instruments.

However, when remaking the instruments, we suggest that ASIC consider:

- Extending the scope of ASIC Instrument 2015/839 to include equivalent relief in relation to sustainability reports
- Extending the relief in ASIC Instrument 2015/251 to provide financial reporting relief to entities being deregistered
- Making ASIC Instrument 2015/841 effective for a relatively short timeframe given the Australian Accounting Standards Board projects on the not-for-profit and public sector financial reporting frameworks.

Further explanation for the above suggestions is outlined in the Appendix.

Thank you for the opportunity to provide our views. Should you wish to discuss the responses within our submission, please reach out to me at [redacted].

Yours sincerely

[redacted]

Moana Overton
Partner
Accounting & Corporate Reporting

Deloitte.

APPENDIX – DETAILED COMMENTS

Extending the scope of ASIC Instrument 2015/839

ASIC Corporations (Related Scheme Reports) Instrument 2015/839 allows responsible entities to include the financial statements of related registered schemes that have a common responsible entity (or related responsible entities) in adjacent columns in a single financial report. The relief applies to annual financial reports, concise financial reports and half-year financial reports.

We recommend that ASIC consider extending this relief to allow a similar approach for sustainability reports of related schemes where the financial reporting relief conditions are met. Consistent with the financial report and directors' report relief, such relief would allow climate-related financial disclosures for related schemes to be presented together so that common narrative information (e.g. governance information) is only disclosed once and scheme-specific information (e.g. greenhouse gas emissions) is presented in adjacent columns in the sustainability report. Permitting this approach will also avoid potential reporting complications where 'combined' financial reports are to be lodged together with separate sustainability reports.

We note that *ASIC Corporations (Stapled Group Reports) Instrument 2015/838* also allows the financial statements of all members of the stapled group to be presented in a single financial report. ASIC could consider extending the scope of that instrument to the presentation of sustainability reports. However, we expect that most stapled entities will take advantage of *ASIC Corporations (Reporting by Stapled Entities) Instrument 2023/673* (as amended by *ASIC Corporations (Amendment) Instrument 2025/164)* and present a single sustainability report for the stapled group. Accordingly, there may already be sufficient relief for stapled entities.

Extending the scope of ASIC Instrument 2015/121

ASIC Corporations Instrument (Externally-Administered Bodies) Instrument 2015/251 reduces the regulatory burdens, including financial reporting obligations, on financially distressed companies, insolvent registered schemes and other entities.

ASIC Instrument 2015/251 does not deal with entities undergoing a voluntary deregistration process. For example, this type of deregistration commonly occurs where an entity is restructuring, or where foreign controlling entities choose to exit business in Australia.

In these circumstances, the company may have an obligation to prepare financial reports under Part 2M.3 of the *Corporations Act 2001*, e.g. where the entity is a public company or where a small proprietary company is foreign controlled and is a member of a 'large group' within the meaning of *ASIC Corporations (Foreign-Controlled Company Reports) Instrument 2017/204*.

In the event the deregistration process is commenced prior to the reporting date arising under Part 2M.3, it is unclear whether financial reports are required to be prepared and lodged in these circumstances, particularly where the deregistration is effective prior to the relevant deadline arising under Part 2M.3. Similar considerations arise where an entity enters the deregistration process soon after the reporting date and before the relevant reporting deadline.

Entities undergoing deregistration in these circumstances will only have minimal or no assets, liabilities and equity at the reporting date, and accordingly, the preparation of financial reports is unwarranted on cost-benefit grounds.

We recommend that ASIC consider providing relief from financial reporting obligations under Part 2M.3 in these circumstances. This will ensure that consistent financial reporting obligations apply to entities undergoing a winding up through a voluntary administration or deregistration process.

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Short effective date for a remade ASIC Instrument 2015/841

ASIC Corporations (Non-Reporting Entities) Instrument 2015/841 allows non-reporting entities to take advantage of concessions to the measurement requirements of accounting standards, e.g. the provisions of AASB 1 *First-time Adoption of Australian Accounting Standards* and transitional provisions in new accounting standards.

For financial years commencing on or after 1 July 2021, the 'non-reporting entity' concept is no longer applicable to for-profit entities in the private sector that are required to report under Chapter 2M of the *Corporations Act 2001*. Such entities must prepare general purpose financial reports and accordingly the relief in ASIC Instrument 2015/841 is of no benefit for these entities.

The 'non-reporting entity' concept remains in place for not-for-profit entities and public sector for-profit entities and the relief in ASIC Instrument 2015/841 remains relevant to these entities[1]. As a result, we support the remaking of the Instrument in order to continue the relief for these entities[2].

However, the Australian Accounting Standards Board (AASB) is currently progressing its not-for-profit private sector financial reporting framework project which seeks to remove the reporting entity concept for private sector not-for-profit entities. In addition, the AASB also has a current public sector financial reporting framework project.

Because of these projects, the relief in ASIC Instrument 2015/841 may have limited or no application in the short to medium term. Accordingly, we suggest that any remade instrument has a short application period and is revisited in the medium term.

[1] It is acknowledged that for-profit private sector entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, where the relevant document was created or last amended before 1 July 2021, can also be "non-reporting entities". However, by definition, these entities do not report under the *Corporations Act 2001* and the relief in ASIC Instrument 2015/841 is not relevant for these entities.

[2] We also note that Chapter 2M of the *Corporations Act 2001* is not applicable to not-for-profit entities that are registered with the Australian Charities and Not-for-profits Commission (ACNC). Accordingly, these entities will not be eligible for the relief in ASIC Instrument 2015/841 (and equivalent relief has not been given by the ACNC).