

9 February 2026

The Australian Securities and Investments Commission

Via email: rriconsultation@asic.gov.au

Simple consultation 42: Proposed updates to guidance on financial reporting and audit relief in RG 43

As one of the largest professional accounting bodies in the world, CPA Australia represents the diverse interests of more than 175,000 members working in over 100 jurisdictions and regions around the world, working in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally. We provide the following feedback on the above consultation (draft RG 43) on behalf of our members and in the public interest.

CPA Australia supports the proposals to update Regulatory Guide 43 *Financial reports and audit relief* to reflect legislative and other changes made since the guide was issued in 2011, and to simplify and clarify the existing guidance. We appreciate a 'summary of changes' document has been provided as part of this consultation, but however, a consultation paper and a 'tracked changes' document clearly setting out the changes from extant guide to the draft RG 43 would have provided a better understanding and overview of the proposals. We provide our comments below to assist with the further refinement and finalisation of the guide.

Include a high-level flowchart or decision tree of the key considerations

Additions such as the new expanded section on the "Overview of record keeping and annual reporting requirements" provide further depth and clarity to the guidance. However, such additions do increase the length of the guide, potentially hindering user-friendliness. To address this, we suggest including a high-level flowchart or decision tree that sets out matters including the criteria for relief eligibility, how to apply for relief and instances when relief is unlikely to be granted.

In respect of the new expanded section on the "Overview of record keeping and annual reporting requirements", we suggest providing a [link](#) to the Australian Securities and Investment Commission (ASIC) website where more details on the record keeping and annual reporting requirements can be found.

Sustainability reporting and assurance requirements

The Overview section A describes the annual reporting requirements under Chapter 2M the *Corporations Act 2001* (Act), including the recently introduced sustainability reporting and assurance requirements. Note 1 on the cover page of the draft RG 43 states that entities seeking relief from the sustainability reporting and assurance requirements should refer to Regulatory Guide 280 *Sustainability Reporting* (RG 280). Given sustainability reporting and associated assurance requirements are mentioned in several places in the guide, this could lead to confusion amongst users as to the scope of the guide. To avoid any confusion and provide further clarity on this matter, we recommend a separate section is included to highlight the fact and that the draft RG 43 only addresses financial reporting and associated audit

relief, and that those seeking relief from sustainability reporting and associated assurance requirements should refer to RG 280. In time, when most entities subject to the annual reporting requirements under Chapter 2M of the Act are subject to both financial reporting and sustainability reporting requirements, we suggest merging the relief considerations for both reporting requirements into one guide.

Currently, Note 2 on page 14 of the draft RG 43 addresses the point that the Australian Securities and Investments Commission (ASIC) will consider the implications of any relief provided through RG 43 on the entity's sustainability reporting and audit obligations. It would be beneficial if this matter is also addressed in the recommended new section on sustainability reporting and assurance requirements, that ASIC will consider the implications of any relief on financial reporting and audit obligations on the entity's sustainability reporting and assurance obligations, and vice versa. This consideration could also include situations where relief is granted for one set of requirements but not the other.

RG 280 highlights that ASIC will take a proportionate and pragmatic approach to supervision and enforcement (RG 280.152), in acknowledgement of the fact that the sustainability reporting and assurance requirements are new and being phased in. It would be beneficial if this important point is highlighted under this new recommended section.

Late lodgement of financial reports

Recently, ASIC has adopted a more proactive approach to late lodgement, including issuing financial penalties and infringement notices to companies for failures to lodge financial reports on time. Whilst draft RG 43 makes reference to the fact that late lodgement of financial reports can result in financial and other penalties, we suggest this is more prominently stated, including a clear statement that ASIC is likely to penalise entities that do not lodge their financial reports by the deadline for lodgement.

Draft RG 43 states that short extensions of time may be provided in 'rare or exceptional circumstances'. It would be helpful if some examples can be provided on what could constitute rare or exceptional circumstances.

More practical examples

It would be beneficial if draft RG 43 incorporates more practical examples of both successful and unsuccessful applications that are modelled on anonymised real applications.

The role of auditors

Although draft RG 43 relates to both financial reporting and audit relief, the guide does not specifically highlight any responsibilities and actions auditors may need to take when an entity is seeking relief from its financial reporting and audit obligations. This section would address how appointed auditors should approach a situation when an entity's management is seeking relief from its financial reporting and audit obligations.

No-action letters

An example of when ASIC provided significant relief through its no-action letters was during the COVID-19 pandemic. It would be helpful if ASIC signposts this as an example of a society and economy-wide situation when blanket no-action letters may be warranted.

Dual-listed company (DLC) arrangements

The 'Summary of changes' document that forms part of the consultation notes that draft RG 43 incorporates and updates the guidance in Regulatory Guide 29 *Financial reporting by Australian entities in dual listed arrangements* (RG 29) and therefore RG 29 will be withdrawn after RG 43 is published. We do not believe the content provided in Item 8 in Table 3 that addresses DLC arrangements in the context of an 'unreasonable burden' relief provides the level of detail that is set out in RG 29. Accordingly, we do not believe this sufficiently justifies the withdrawal of RG 29 once the draft RG 43 is finalised and published.

Other matters

Draft RG43.7 – ‘creditor and investment confidence’ should be reworded as ‘investor and creditor confidence’ to give prominence to the former

Draft RG 43.8 – since this para distinguishes between for-profit and not-for-profit entities, the term ‘for-profit’ should be included in the paragraph.

If you require further information, please contact [REDACTED] at

[REDACTED].

Yours sincerely

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CPA Australia