

Technical Accounting Alert

TA 2022-02

ASIC releases 22-035MR ASIC allows additional time for holding virtual-only meetings

EXECUTIVE SUMMARY

On 3 March 2022, the Australian Securities and Investment Commission granted relief to allow additional time for the holding of virtual-only meetings in light of the continuing challenges presented by the COVID-19 pandemic. In summary:

- All listed companies and unlisted registered schemes will continue to have the option to hold virtual-only meetings until 31 May 2022 (an additional two months);
- The extension for unlisted companies is available until 30 June 2022;
- Companies and registered schemes that wish to take advantage of the relief must first pass a resolution that it would be unreasonable to hold a meeting of its members wholly or partially at one or more physical venues due to the impact of the pandemic;
- The extension is in addition to the temporary amendments to the *Corporations Act 2001* that are available until 31 March 2022, which permit the use of virtual technology to convene and hold meetings.

The text of the media release is included below (source: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2022-releases/22-035mr-asic-allows-additional-time-for-holding-virtual-only-meetings/>)

22-035MR ASIC ALLOWS ADDITIONAL TIME FOR HOLDING VIRTUAL-MEETINGS ONLY

ASIC has today granted relief to allow additional time for certain companies and registered schemes to hold virtual-only meetings, subject to conditions.

The extended timeframe provides flexibility for companies and registered schemes preparing for annual general meetings (AGMs) or other meetings of members, as we continue to recover from the challenges presented by the COVID-19 pandemic.

Under ASIC Corporations (Virtual-only Meetings) Instrument 2022/129, all listed companies, together with listed and unlisted registered schemes, will continue to have the option to hold virtual-only meetings until 31 May 2022 (an additional two months). For unlisted companies, the extension is until 30 June 2022, which aligns with the extended deadline for unlisted public companies with 31 December 2021 year ends to hold their AGMs.

Before a company or responsible entity of a registered scheme relies on the relief, the directors of the company or responsible entity must pass a resolution that it would be unreasonable for the company or registered scheme to hold a meeting of its members wholly or partially at one or more physical venues, due to the impact of the COVID-19 pandemic.

This extension is in addition to temporary amendments to the Corporations Act 2001 (the Act), which permit the use of virtual technology to convene and hold meetings, including hybrid and virtual-only meetings, in certain circumstances, until 31 March 2022.

ASIC Commissioner Sean Hughes said, 'Our relief means that companies and registered schemes will have the option of holding physical, hybrid or virtual-only meetings for an extended time.'

'While we have recently seen some improvements in the COVID-19 situation associated with the 'Omicron' wave, we are conscious that conditions differ across Australia and that risks of COVID-related impacts on meetings remain. Our relief enables entities to flexibly plan for pandemic conditions impacting their particular entity and members - and if necessary, respond quickly to any sudden change in conditions. Importantly, boards and responsible entities will remain accountable to their members for the chosen format and conduct of their meetings', Mr Hughes said.

Permanent changes to the Act to permit hybrid meetings (including virtual-only meetings if allowed under the entity's constitution) apply from 1 April 2022. Other permanent changes facilitate electronic execution of company documents, electronic communication of meetings-related materials and changes to how certain resolutions may be determined.

The Act provides protections when virtual technology is used, including giving those eligible to attend, as a whole, a reasonable opportunity to participate, and ensuring the meeting is held at a reasonable time.

ASIC may consider relief for other entities on a case-by-case basis, where appropriate.

Background

ASIC may use its emergency relief powers under section 253TA of the Act if it considers it may be unreasonable to expect an entity or a class of entities to hold meetings wholly or partially at one or more physical venues because of a situation beyond the control of the entity or entities in the class.

ASIC has published [FAQs](#) on virtual meetings for companies and registered schemes held on or before 31 March 2022, and will publish further FAQs on virtual meetings for companies and registered schemes held during the period 1 April 2022 to 30 June 2022, to explain the relief in ASIC Corporations (Virtual-only Meetings) Instrument 2022/129.

FURTHER INFORMATION

If you wish to discuss any of the information included in this Technical Accounting Alert, please get in touch with your Grant Thornton Relationship Partner or a member of the National Assurance Quality Team at national.assurance.quality@au.gt.com.