

Article Information

Authors: Sina Kassra, Bahar Agar, Samiha Asim

Service: Banking & Finance, Blockchain, Corporate & Commercial, Dispute Resolution & Litigation, Employment & Labour, Projects Infrastructure & Construction, Taxation

Sector: Aged Care & Senior Living, Agriculture & Food, Defence, Education, Electricity & Gas Regulation, Energy & Resources, Financial Services, Government, Health & Life Sciences, Hospitality, Tourism & Gaming, Infrastructure, IT & Telecommunications, Mining, Not-for-Profit, Oil & Gas, Power & Utilities, Private Clients, Real Estate, Renewables, Transport & Logistics

Corporations Act reforms pass Parliament: virtual meetings, electronic execution and continuous disclosure

Both houses of Parliament have passed the *Treasury Laws Amendment (2021 Measures No.1) Bill 2021* to amend continuous disclosure laws, allow virtual corporate meetings and electronic execution of documents.

Following our earlier update in April 2021 (available [here](#)), the *Treasury Laws Amendment (2021 Measures No.1) Bill 2021 (Corporations Act Amendment Bill)* has been passed by both houses of Parliament on 10 August 2021 with amendments proposed by the Senate. The Corporations Act Amendment Bill is yet to be enacted and will commence operation the day after it receives royal assent from the Governor-General.

Primarily, the Corporations Act Amendment Bill reinstates temporary measures to allow virtual corporate meetings, send meeting documents electronically and electronic execution of company documents until the sunset date of 1 April 2022. The Corporations Act Amendment Bill also introduces the 'fault' element for continuous disclosure obligations. We have previously summarised the key measures introduced by the Corporations Act Amendment Bill relating to virtual meetings and electronic execution of documents (see [here](#)) and continuous disclosure obligations (see [here](#)).

What has changed from the original Corporations Act Amendment Bill?

The Senate amendments introduced the following additional changes: -

- The temporary measures regarding the convening and holding of meetings, and the execution of documents, will now expire on 1 April 2022. This sunset date was extended from 16 September 2021.
- The obligation to inform shareholders of their rights to elect to receive hard copy documents has been removed. This will reduce the compliance burden and cost for many larger companies.
- ASIC has the power (by notifiable, or class instrument) to extend the timeframe beyond the sunset date for virtual only meetings, electronic distribution of documents, and for the timeframe under section 250N of the *Corporations Act 2001* (Cth) for holding an Annual General Meeting. These powers can only be exercised by ASIC if it is unreasonable to expect the entities to comply with the law due to circumstances beyond their control (e.g. COVID-19). Instruments made under this power cannot be in place for longer than 12 months.
- The Minister must cause a review of the operation of the continuous disclosure amendments to be conducted by an independent expert within 6 months after the second anniversary of the commencement of the changes. If such review is not undertaken, or the other requirements to table the report in Parliament and publish any recommendations on the Attorney-General's Department website are not satisfied, the continuous disclosure amendments cease to have effect.

The Covid-19 pandemic is presenting unique challenges for the Australian corporate environment; however, the Corporations Act Amendment Bill provides companies with much needed relief to continue their operations into the new year.