

ASIC to give liquidators affected by Covid-19 late fee waivers and no action letters

Source: Australian Securities and Investments Commission

Date: 2 April 2020

Abstract:

ASIC has advised that registered liquidators affected by the COVID-19 pandemic will in appropriate circumstances be given late fee waivers and no-action letters, in a move ease the current burden of compliance with statutory requirements.

Impacts of COVID-19 on registered liquidators and relief offered

ASIC has noted that the COVID-19 pandemic has created several challenges for registered liquidators which will likely affect their ability to perform all their duties and functions and comply with all statutory requirements imposed by law.

For example, it is anticipated that there will be difficulties with:

- holding meetings of creditors;
- conducting investigations and preparing statutory reports within the timeframes required by law;
- preparing and lodging documents within the timeframes required by law; and
- attending company premises to take control of records or conduct trade-on activities.

ASIC has said that:

- it will take these circumstances into account when administering the law and regulations. Where appropriate ASIC will consider giving a 'no-action letter';
- it considers that 'exceptional circumstances' exist and will waive late fees resulting from the impacts of the COVID-19 pandemic.

What should registered liquidators do?

Registered liquidators should:

- make contemporaneous notes for external administration files about how the COVID-19 pandemic has affected their ability to comply with their statutory requirements and the practical steps they have considered and taken to address this;
- where appropriate, request 'no-action letters' from ASIC;
- apply for the fee waiver in the normal way and provide evidence that the late lodgement is a result of the impact of the COVID-19 pandemic; and
- contact ASIC to discuss the impact of the COVID-19 pandemic on their ability to perform their duties and functions.

More information from ASIC can be found [here](#)