

A practical guide

To Key Corporations Act Requirements

The summary tables below are for guidance only to suggest areas of compliance risk for companies governed by the Corporations Act¹.

GENERAL REQUIREMENTS FOR COMMON TYPES OF COMPANIES

Proprietary and unlisted public companies

	PROPRIETARY COMPANIES		UNLISTED PUBLIC COMPANIES (non-disclosing entities)	
	Small	Large	Limited by shares	Limited by guarantee
Satisfy 2 of the criteria	Revenue	< \$50 million	> \$50 million	
	Gross assets	< \$25 million	> \$25 million	
	# Full time employees	< 100	> 100	
	Can a dividend be paid?	YES		YES NO
	Audit required	NO ²	YES	YES Revenue > \$1 million
	Review required	Not required		Not required Revenue \$250,000 - \$1 million
	ASIC Lodgement Deadline	NO ²	End of financial year + 4 months	End of financial year + 4 months
	Minimum # directors	1 - Who ordinarily resides in Australia ³		At least 3 - Two of which ordinarily reside in Australia
	Company secretary	Not mandatory		Required
	Annual General Meeting	Not mandatory		18 months after registration & 5 months after year-end thereafter
	Maximum # shareholders	50		No limit

Next steps

For more information or assistance contact Daniel Gill or Chris King on +61 7 3023 1300.

¹ Summary tables are not a comprehensive statement of all applicable requirements. The full requirements for companies are defined in the *Corporations Act 2001* ("The Act").

² Unless Small Pty Ltd controlled by a foreign company that is part of a 'large' Australian group. A large group refers to the above thresholds of a proprietary company. An exemption must be obtained. It is not automatic.

³ If the company has crowd-sourced funded shareholders, it must have at least 2 directors. A majority of these directors must live in Australia.

Managed investment schemes

	Registered	Unregistered
# members	> 20	< 20
Promoted by a person who is in the business of promoting managed investment schemes	YES	NO
Audit required	YES	NO
ASIC Lodgement Deadline	End of financial year + 3 months	No requirement to lodge with ASIC

KEY CONSIDERATIONS WHEN RUNNING A COMPANY

Disclosing Entities

Definition	Main Reporting Impact	Timing
<ul style="list-style-type: none"> A company that is listed on the Australian Securities Exchange (ASX) A company that has issued debentures, bonds, or other securities to the public A registered scheme (such as a managed investment scheme) 	Prepare and lodge audited Tier 1 General Purpose Financial Statements to ASIC, and if listed, Appendix 4E to ASX.	<p>Within three months of the financial year end.</p> <p>Sent to members by the earlier of four months after the financial year end or 21 days before the next AGM.</p> <p>4E - 31 August.</p>
	Prepare and lodge Half-Year Financial Statements to ASIC and, if listed, Appendix 4D to ASX.	<p>Within 75 days of the half-year end.</p> <p>4D - 28 February.</p>

When can your company pay a dividend?


You must satisfy ALL of the following tests before a dividend is paid to members:

- ☐ Assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
- ☐ Payment of the dividend is fair and reasonable to the company's shareholders as a whole.
- ☐ Payment of the dividend does not materially prejudice the company's ability to pay its creditors.

Next steps

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