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# CORPORATIONS LAW: DISCLOSURE REQUIREMENTS

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*The Treasurer has announced that disclosure laws for listed companies will be relaxed for a six-month period.*

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Numerous changes have been put in place to give companies greater flexibility and support during the COVID-19 period. The changes have continued, with Treasurer Josh Frydenberg announcing last week a temporary relaxation of the continuous disclosure laws for listed companies. The requirements usually involve disclosing market sensitive information to shareholders, but a six-month period of relaxed rules on continuous disclosure has been instigated, relieving companies from the obligation to make forecasts of future earnings and other estimates. The Treasurer justified the decision in his media release on 25 May 2020, explaining that "the heightened level of uncertainty around companies' future prospects as a result of the crisis also exposes companies to the threat of opportunistic class actions for allegedly falling foul of their continuous disclosure obligations if their forecasts are found to be inaccurate". Companies will only be held liable where their conduct involves "knowledge, recklessness or negligence" in their disclosure of price sensitive information to shareholders. An Australian Financial Review article stated that ASIC "has sent a warning shot to boardrooms...pledging to maintain a 'laser-like focus' on market disclosures that may impinge on criminal law after the government temporarily relaxed civil regulations" (*ASIC flags 'laser-like' focus on criminal disclosure laws*, Michael Roddan, 28 May 2020).

