

2020 Australian Law Librarians' Association Conference (ALLA 2020)
23 – 24 September 2021
Virtual Event

Corporate transactions in the age of physical distancing, mandates law reform.

Author(s):

Antoaneta Dimitrova, LexisNexis Capital Monitor, antoaneta.dimitrova@lexisnexis.com.au

James Dawson, LexisNexis Capital Monitor, james.dawson@lexisnexis.com.au

The COVID-19 pandemic has thrown significant challenges in the face of Australian companies and their capacity for compliant corporate transactions and daily practices. Lockdowns, stay-at-home orders, and social distancing measures make it difficult to execute documents that require 'wet ink' signatures, or to hold AGMs and other binding meetings in person. With statistics pointing to more than 4.5 million deeds and 3.8 million statutory declarations in Australia each year by small / medium enterprises and consumers, the 'wet ink' requirement and the need for witnessed execution of deeds and statutory declarations has become inefficient, difficult and time consuming.

In 2020 the Morrison Government moved to facilitate electronic signatures and virtual AGMs when the pandemic hit, but the measures lapsed on 21 March 2021, when extending legislation failed to pass the Australian Senate. Commonwealth, State and Territory Treasurers have since agreed to prioritise establishing a secure, electronic pathway for document execution, with the Australian Treasury recently publishing a consultation draft of legislation that would bring this into being and establish national standards for virtual and hybrid AGMs. Launching a secure, electronic pathway for document execution could save over \$400 million in direct costs and wasted time per year, according to modelling by Accenture (commissioned by the Government's Deregulation Taskforce). Legislation has progressed further during August, are you across the latest changes?