

Notice regarding accounting and audit work in consideration of the impact of the  
COVID-19 (novel coronavirus) infection (administrative circular)

Accounting and audit work for most of the companies in Japan whose business year ends in March is now underway amid the spread of the COVID-19 infection, but it is presumed that they will face difficulty in proceeding with the work in the same manner as usual.

With such awareness, in order to secure sufficient time for companies' accounting and audit work, the FSA announced on April 14 that the Cabinet Office Order on Disclosure of Corporate Affairs and other laws and regulations would be amended to extend the deadline for annual securities and other reports to be submitted under the Financial Instruments and Exchange Act to the end of September uniformly without the need for each company to file an application individually. The FSA promulgated and enforced the relevant Cabinet Office Order and other laws and regulations on April 17.

On April 15, the Networking Group on the Corporate Disclosure, Financial Reporting and Audit of Listed Companies in Consideration of the Impact of the COVID-19 (Novel Coronavirus) Infection publicized the statement to request flexible and appropriate handling of corporate year-end closing of accounts, auditing and shareholders meetings in consideration of the impact of the COVID-19 infection.

These requests were made so that due consideration will be given to the health and safety of employees, clients and other related parties. Please understand such intention and properly inform the members of your association so that they will pay great attention to the following matters with regard to the implementation of accounting and audit work, and to the submission of reports and notifications under the Banking Act or other laws and regulations.

1. When performing accounting and audit work, including the preparation of business reports to be submitted to the FSA, give due consideration to the health and safety of employees engaging in the relevant work, clients and other related parties, take into account the possible need to adopt a schedule different from that in ordinary years, and otherwise consider measures as needed.

2. When it is difficult to observe legally determined submission deadlines for reports and notifications due to the impact of the COVID-19 infection, such cases will be dealt with flexibly. Accordingly, feel free to consult with the FSA or the competent Local Finance (Branch) Bureau.

(Note 1) With regard to reports, etc. for which the submission deadlines can be extended with the FSA's approval, the FSA will make prompt and proper responses when a financial institution files an application.

(Note 2) Also with regard to reports and notifications whose submission deadlines are not legally determined, in cases where it is impossible to prepare them due to the impact of the COVID-19 infection, reports and notifications that are submitted as soon as practicable after the relevant circumstances are resolved are to be treated as reports and notifications submitted without delay.