

# Ireland Update: Commencement of Company Law Changes

The Companies (Corporate Governance, Enforcement and Regulatory Provisions) Act 2024 (the "2024 Act") which sets out amendments to the Companies Act 2014 (the "2014 Act") was signed into law on 12 November 2014 and had been awaiting commencement.

As of 3 December, certain provisions of the 2024 Act commenced, with the remainder expected to commence in the coming months.

## Changes Which Have Commenced

Below we have detailed those changes to the 2014 Act which have now commenced:

### *Virtual General Meetings*

The 2024 Act provisions allowing a company to hold hybrid or wholly virtual general meetings unless expressly prohibited by their constitutions have commenced.

The corresponding temporary provisions of the Companies (Miscellaneous Provisions) (COVID-19) Act 2020 (the "2020 Act") dealing with this have also been repealed.

### *Execution in Counterpart*

Companies can now execute documents under seal in separate counterparts, with the aggregate of the documents being treated as one document.

This had been introduced on an interim basis by the 2020 Act but was discontinued at the end of 2022.

### *Mergers*

The following important changes regarding mergers have commenced:

- Inclusion of the ability for DACs to merge – the 2014 Act previously stated that one of the companies must be an LTD; and
- In the case of private companies, a group of subsidiary companies that is wholly-owned by the same parent company will be able to merge into their common parent company by one merger by absorption rather than several mergers by absorption (as was the case previously).

### *New Grounds for Strike Off*

The new grounds for involuntary strike off set out below are now in force:

- A failure to notify the Companies Registration Office (the "CRO") of a change in registered office address;
- A failure to appoint and record a company secretary with the CRO; and
- A failure to file the beneficial ownership information with the Central Register of Beneficial Ownership.

### *Enhanced Powers for the Corporate Enforcement Authority*

Certain provisions relating to the powers of the Corporate Enforcement Authority (the "CEA") have also been commenced, including:

- Restriction and disqualification orders must be lodged with the CEA, in addition to the CRO.
- The CEA must be put on notice of an application by an undischarged bankrupt seeking leave of the court to act as a director or secretary of a company.
- The CEA has an entitlement to require statutory auditors to provide it with access to books and records where there are reasonable grounds to believe that a category 1 or 2 offence has been committed by an officer or agent of the company.
- A person shall be guilty of a category 2 offence if that person obstructs or interferes with an officer of the CEA in the course of exercising the officer's powers, or impedes the exercise of such powers.
- Additional bodies are now permitted to disclose information to the CEA, including the Registrar of Beneficial Ownership, the Data Protection Commission and the Criminal Assets Bureau.

## ***Insolvency and Restructuring***

The following changes to the provisions of the 2014 Act regarding insolvency and restructuring have been commenced:

- Details regarding receivers' fees will be required to be made available to members and creditors. There is now an obligation to file additional information with the CRO regarding the receiver's appointment. Time limits for the provision of such information have been shortened in certain instances;
- Liquidators' obligations in respect of proceedings relating to the restriction of directors shall continue to apply until the

conclusion of the proceedings, including until the conclusion of any appeal; and

- Amendments to the Small Companies Administrative Rescue Process regime, most of which are minor and technical in nature.

## **Changes Awaiting Commencement**

The following are the main provisions awaiting commencement:

- Provisions ensuring that the small company audit exemption will no longer be lost upon a first failure to file an annual return on time. Loss of exemption will only apply if a company fails to file its annual return for a second and subsequent time within a period of five consecutive years; and
- Provisions requiring that certain shareholder resolutions and summary approval procedure declarations be delivered to the CRO in the "prescribed form". Currently these documents can be delivered using certain administration forms or forms prepared by legal advisors.

## **How the Maples Group Can Help**

If you require assistance or further information, please reach out to your usual Maples Group contact or any of the persons listed below.

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