

€18m In Late Filing Penalties Highlights Need To File On Time

The Companies Registration Office (CRO) is urging all companies to ensure they file their annual returns on time. Almost €18 million was taken in, in the last year alone, in Late Filing Penalties pushing the total since the measure was introduced well over €100 million.

“This is money these companies need not have to pay,” stated Paul Farrell, Companies Registrar. “And the CRO certainly doesn’t want to have to impose these penalties, we just want a fully up to date Companies Register.”

If annual returns are not filed on time companies risk facing a range of penalties. Some take the form of direct payments that must be made to the CRO. Others include the possibility of strike off for both the company and its directors. Still further costs to companies can be incurred where companies lose their audit exemption entitlements. This is an option made available to companies below certain thresholds in order to minimise the administrative burden they face. To avail of this option the company must file its annual return, for the current and the preceding year, on time.

It is estimated that over 100,000 companies could qualify for audit exemption but up to 25% of these may lose this entitlement due to late filing of annual returns. While the rules for audit exemption are clearly spelled out in both legislation and in CRO information leaflets, almost 6,000 companies unwittingly failed to qualify for the audit exemption last year. It was only when they filed their annual returns late that they realised that filing on time was a condition for qualifying for an audit exemption.

“We have introduced innovations like the Integrated Enforcement Environment (IEE) to ensure repeat offenders are identified and dealt with,” stated Farrell. “At the same time we have also created a range of online filing options to make it easier for companies to file on time and to further reduce the administrative burden. And we are launching a short sharp reminder campaign to ensure company directors know their responsibilities.”

The CRO will launch a newspaper advertising campaign, commencing this weekend to remind company directors of their responsibilities in relation to filing their annual returns and the penalties they may personally and corporately face should they fail to do so.

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