

Draft minutes of the Stakeholder Forum Meeting
Wednesday 16th February 2022 10:00 am
Companies Registration Office, by Teams conference.

Present:

CRO: Maureen O’Sullivan, Gerry Doyle, Niamh Nolan, Carol Crotty, Paul McHenry, Mark Donoghue (Secretary).

Members: Linda Murray (Deloitte), Oliver Holt (Chartered Accountants Ireland), Conor Sweeney (CLS), Deirdre Mooney (William Fry), Salvador Nash (KPMG), Jenny McGowran (Simmons & Simmons), Kathryn Maybury (SFA), Emer Kelly (CPA Ireland), Ruairí Cosgrove (PWC), Jillian O’Sullivan (Grant-Thornton), Donna O’Neill (Matheson), Eric Rochford (ERC), Andrew Lambe (CBF Ltd), Patrick Butler (PhilipLee.ie).

1. Minutes of the previous meeting

The Registrar welcomed the group to the meeting, asking if anyone had any observations about the minutes of the last meeting, there were none, so the minutes of the previous meeting were formally adopted.

2. Update on Mandatory Electronic Filing.

The Registrar addressed this item saying that from the 1st of March 2022 approximately twenty (20) forms which have been available for online filing since the introduction of the new IT system in December 2020 will have to be filed online. It will no longer be possible as and from that date to file these forms manually. The Registrar noted that there were a number of transactions which required a number of forms to be filed simultaneously, such as transactions around re-registrations, where some of the forms are still manual only while other forms will be online only. In these situations, the Registrar said that it would not be necessary to send a copy of those forms which were filed online so long as we have the SR (Submission number).and she recommended that presenters should include details of the Submission Number for electronically filed documents when presenting the accompanying manual documents.

A “draft” facility for filing documents online has long been considered a desirable feature of electronic filing to avoid duplication and is scheduled to go live in March 2022 as part of the upgrade to version 6.2 of the CRO system.

This concluded the Registrars update and she then called on Gerry Doyle (RBO) to outline the latest position in relation to the Beneficial Ownership register.

3. RBO update.

Gerry began his update by noting that the Criminal Justice Act 2021 in April 2021 brought in a mandatory requirement for all designated persons to inspect the RBO register before they form a “business relationship” with a customer which is company or society.

As a result, RBO filings have increased substantially and the number of discrepancy and non-compliance reports are equally at a far greater level.

The RBO compliance rate is currently at 88% of companies. That leaves 30,000 companies

which have not yet filed with the RBO. However, as the CRO has not been striking off companies due to the pandemic, it may well be that many of those companies which have not yet filed with the RBO will be struck off for also failing to file their annual returns with the CRO.

The number of companies registering their beneficial ownership with the RBO for this first time is close to 2,000 per month, which keeps the RBO “in step” with the number of new companies incorporated by the CRO.

Since the commencement of the 2021 Criminal Justice Act, the RBO has seen an upsurge in the reporting of discrepancies and non-compliance. In total in 2021, there was roughly 1,900 discrepancy and non-compliance reports received by the RBO. In the month of January alone, the RBO received over 1,000 non-compliance and discrepancy reports, which would suggest a full-year figure of over 12,000.

Likewise, in 2021 there were sixty-one thousand (61,000) searches of the RBO and to-date in 2022 there were fifteen thousand (15,000) searches which would suggest a full-year figure of over 120,000.

Gerry said that in discussions with the BPFII last year, the Registrar advocated a pragmatic approach to the reporting of discrepancies and non-compliance and made it clear that notifying the Registrar should be the last step in the process after engaging with the company, not the first step.

Therefore, where there are no grounds for suspicion, Gerry said that the RBO would ask designated persons to engage with the company in the first instance in relation to any apparent discrepancy or failure to file with the RBO, and only send a report to the Registrar where the company does not file with the RBO promptly after being requested to do so, or the discrepancy is a “material” one which is not resolved promptly and to the satisfaction of the designated person.

On a related matter, Gerry also emphasised that comparing information in the CRO Register with information in the RBO Register is not sufficient to meet a designated person’s obligation to verify the beneficial ownership of a customer when doing CDD. It cannot be assumed that the legal owner registered with the CRO is the beneficial owner. Once again, Gerry stated that the designated person must engage with the company to resolve any apparent discrepancies between CRO records and the RBO.

This concluded Gerry’s update and the Registrar thanked him.

Paul McHenry (CRO) and Niamh Nolan (CRO) were then invited to update the group on the situation in their respective business areas.

Paul began by saying that he dealt predominately with the areas of mortgages, solvency and new companies and that he wished to deal with the subject of the new forms going online as this would probably be the most pertinent issue of concern to the members of the Fora. In relation to Solvency documents the online facility has been available for over a year and we will be going to “compulsory” online from 1st March 2022.

The availability of online filing for these documents has reduced errors and consequently the numbers of documents returned to the presenters significantly.

The new SCARP (Small Company Administrative Rescue process) is now available online and last year the CRO had the largest number of companies registered in the State since records began, almost twenty-five thousand (25000) and the largest single increase year on year.

Paul concluded by saying that deadlines have been strictly adhered to where possible.

Niamh began her update saying that the pandemic had a devastating effect on the work of the office and particularly the backlogs in processing annual returns. It is the case that some delays were experienced in respect of B1 forms, but these delays are being addressed at present by a concerted effort from Carlow staff. From the rest of the office perspective on the “B” list side deadlines for SAPs are being met. In summary, Carlow staff are working as hard as they can but of necessity response times may not be as good as they should. A huge staff turnover in Carlow has not helped this situation and a real difficulty being experienced in recruitment has meant that replacement staff were very hard to obtain. There are currently requests in place for staff in both the Carlow and Dublin offices which would do much to address these resource issues and improve the overall situation.

This concluded both their updates and the Registrar thanked them.

4. Composition of Stakeholder Forum.

The Registrar addressed this item by saying that it was raised before in “pre-Covid” times and that CRO frequently got requests from people wishing to join the Forum. It seemed timely therefore to consider the composition of the Forum, who should be on it, should there be multiple people from the same firms on it. The Forum is in its current guise since 2016 because of the amalgamation of the CRO Link and Accountants Forum. Requests to join are now becoming more frequent and formalising the Forum appears relevant. It appears that the original CRO Link and the Accountants Forum were populated on behalf of certain organisations, and this needs to be considered as the nominated representatives of these bodies have changed considerably over the years. The Association of Compliance Officers Ireland recently asked to be represented on the Forum. The Registrar invited the group to consider this matter and revert with any suggestions in respect of the composition and operation of the Forum, should there be a time-limit in how long a member can remain a member of the Forum and what would members consider to be an appropriate time limit.? Another consideration for the CRO to address is whether the Forum is a relevant body under the [Regulation of Lobbying Act](#). It was suggested that that the secretary of this Forum would contact everyone on the current forum mailing list to establish whether they wish to remain on the Forum, this was agreed. It was also agreed that the Association of Compliance Officers be invited to join the Forum. Members also said they would revert with their views, and this concluded the Registrars update.

5. Legislative and IT developments.

The Registrar said there were several Directives due to be implemented shortly including a Regulation on Cross-Border Mergers which would mean that there will be new processes which include mergers, divisions and conversions which are required to be available on-line by the end of January 2023. There is also the Corporate Enforcement ~~Agency~~ Authority Act 2021 which introduces the PPSN for Directors of companies and this will involve a significant IT project. The CRO is not aware of when precisely the PPSN piece of this will be commenced. Members suggested that the PPSN should not be introduced in the run up to the peak filing date in

November given the pressures that presenters will be facing at that time. As previously mentioned, [SCARP](#) has come into effect and to date one notification has been received by the CRO.

The Registrar then invited Carol Crotty (CRO) to update the group.

Carol began by saying that another Directive to be implemented this year involved the uploading of accounts in XPRL format.

Accountants and CRO is working to see how we can accept this format of document. There is an update scheduled for CORE (Companies Online Registration Environment) and the target date is March 31st, 2022.

This will include the Watchlist and the Returned to Draft options which were requested by presenters and an amount of work has been carried out on the Payments side of the system. The RBO will also be upgraded shortly although the exact date is not yet available.

Following the upgrade, we expect to have a customer's account system on the RBO to facilitate the purchase of reports.

This concluded Carol's update and the Registrar thanked her.

6. Review of Peak filing.

The Registrar discussing this item mentioned that last year CRO had two "peak filings" with the first at the end of May which we had to extend due to systems issues and then we had our usual November peak which was extended due to the prevalence of COVID 19 at that time and its impact on presenters.

The Cloudflare software product which we have implemented to address load balancing and control the numbers permitted on our website at any one time to ensure a satisfactory performance to all our visitors, appears to be working effectively and feedback was invited from members as to their experience.

From a statistical perspective CRO got about 268000 (two hundred and sixty-eight thousand) annual returns last year between the two "peaks" which was far in excess of the numbers of annual returns filed in previous years which with resource issues previously mentioned does continue to put our Carlow office under considerable pressure.

7. Enforcement.

The Registrar mentioned that enforcement in the CRO and the RBO had been suspended since the beginning of the Pandemic, but we are going to re-start our enforcement process by issuing our normal warning letters for those people who have not filed.

This is likely to commence in the next month or so.

On the RBO side this means we are leaving open the possibility of prosecutions for companies that have not filed.

30000 (thirty thousand) companies have not filed on the RBO, but it would clearly be impractical to prosecute so many companies and in the same way on the CRO side it would not be feasible to prosecute all those companies who were late with their filing.

There was a small number of involuntary Strike-offs made last year in the cases where there were no EEA Directors in place and where the company had been offered the option of appointing EEA Directors and failed to do so, they were struck-off.

8. AOB.

There was a query made under AOB about historic customer accounts and Carol said that they were currently looking at customer accounts statements in general and we are ensuring that when a query is made the correct information is displayed and when this has completed, we will look at historic “previous” months.

As there was nothing else to be raised under AOB the Registrar thanked everyone for attending and then concluded the meeting.

Mark Donoghue

Secretary CRO Stakeholder Forum

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