

Draft minutes of the Stakeholder Forum Meeting
Wednesday 5th May 2021 10:00 am
Companies Registration Office, by video conference.

Present:

CRO: Maureen O’Sullivan, Gerry Doyle, Mark Donoghue (Secretary).

Members: Linda Murray (Deloitte), Oliver Holt (Chartered Accountants Ireland), Conor Sweeney (CLS), Van Geraghty (SFA), Jillian O’Sullivan (Grant Thornton), Deirdre Mooney (William Fry), Salvador Nash (KPMG), Andrew Lambe (Company Formations), Jenny McGowran (Simmons & Simmons), Emer Kelly (CPA Ireland), Ray Hunt (McCann-Fitzgerald), Patrick Butler (Philip Lee), John Olden (Law Society of Ireland), Ruairí Cosgrove (PWC)

Apologies: Paul McHenry, Dermot Madden, Niamh Nolan.

1. Minutes of the previous meeting.

The Registrar welcomed the group and then asked 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. CRO Staff changes.

The Registrar addressed this item acknowledging its importance in the context of the CRO.

Carol Toolan who was heavily involved in our IT project has left CRO upon her promotion. Claire Crowley (Assistant Registrar Carlow) left to go to another Department and her role has been taken over by Niamh Nolan in our Carlow office.

Claudine Forrest left after many years within the CRO, and she has gone to the Department to manage the Learning and Development section.

Claudine’s replacement is due to arrive next Monday, and she is due to take over IT projects.

The Registrar took this opportunity to wish all these staff well in their new appointments.

3. New CRO system Update.

The new system went “live” on the 16th of December 2020 and there was some quite serious initial difficulties involving Customer accounts which had to be mainly corrected “by hand” which caused a lot of additional work for our Customer accounts team.

Currently and for the last few months we have been dealing with various “glitches” in the new System which has come to light and we have received some queries from Fora members shown beneath:

Queries from Stakeholders:

A query was received in respect of the C6, and this issue is receiving particular attention. Another issue involved the Return to this Day facility on the register.

Problems have arisen in connection with our third-party software providers, and we are doing everything we can to address this,

While we maintain regular contact with these vendors and do our best to address any issues that arise, the problems of this nature tend to be in the difficult area between “us and them” and it’s not always an issue that we can solve, but we do engage with them in order to isolate those areas of difficulty.

The Registrar said that there was some functionality which was temporarily lost in the upgrade process which included the Late filing fee calculator and the Watch list, we will restore these functions but we must obviously restore these functions mindful of their order of importance and except for a few specific issues, things appear to be working quite well. The filing fees Calculator will not work while the filing extension is in place, but it should work correctly after that has ceased.

Company incorporations are taking somewhat longer than they used to but that is mainly because the number of companies being incorporated is very high at present, Just under 9000 companies have been incorporated in the first four months of the year and if that were extrapolated into the rest of the year we would come close to 27000 companies registered.

The issue of a backlog of B10’s and Annual Returns was raised, and the Registrar said this was primarily due to staff losses in Carlow and the delay in sourcing replacements, and some staff are also unavailable through maternity leave creating obvious gaps in processing Annual Returns as fast as usual although B10’s gets auto-registered, and their backlog will be likely to clear quickly.

John Olden (Law Society) raised the matter of Sap’s saying that the committee was concerned about the timeline in getting these registered, with the concern raised that Sap’s that are registered too late may run out of time.

The Registrar said that the staffing issues in Carlow influences the speed of registering Sap’s but that she would investigate this as a matter of urgency,

The Registrar was asked what the most effective e-mail address was to use for general queries and she said that general queries should always be sent to cro.info@enterprise.gov.ie

A query was raised in relation to Cert of Incorporation and re-registrations and their signing. It seems to be coming an issue that in a case where some are signed, and some are unsigned presenters are being questioned by the banks.

The Registrar felt this had been addressed but undertook to check the current position.

It had been decided that all certificates issued by the CRO or the RFS in future would be signed by the Registrar and this was being rolled out across the various types of certificates issued by the Office.

The next issue involved G1’s and Constitutions where a charge of €15 is being charged for

these registrations and they used to be free, the Registrar felt this may be a charge levied in error and if this is so it will be refunded.

The last issue to be raised was in respect of UK Resident Directors B10's which has become a constant source of questions and queries and could some clarity be provided in this matter.? The Registrar responded by saying that "the law is the law" and that the laws say they must have the Bond or an EEA resident Director and she understood that a query has been raised about the Trade and Cooperation agreement in which there is a clause which is widely felt might negate that concern.

The CRO is seeking clarification on this issue but in the meantime, we must take the view that the Companies Act 2014 applies which states there should be a Bond in place or a certificate or you can appoint an EEA Director, but it is an offence if these procedures are not carried out.

It was also asked in a situation where there was an EEA resident Director but there are still UK Directors on board does a B10 have to be filed?

The Registrar said that there had been a lot of discussion about that but the CRO view is that the particulars *have* changed and that this issue should be clarified.

Some discussion took place concerning this issue and it was acknowledged that getting a B10 signed and filed is not always a simple process. A query was raised as to whether it would be acceptable to change the EEA designation to non-EEA via the B1 rather than the B10 and the Registrar undertook to clarify this matter and consider it further.

4. Ending of the Filing Extension on 28th May 2021.

The filing extension will end in little more than three weeks' time, and it applies to those companies that have an ARD of on or after the 30th of September 2021 and this will therefore apply to the vast bulk of companies.

This will capture six months of companies with ARDs up to 56 days before the 28th of May.

There has been steady filing all the way throughout and a large number have already filed. There is a refund for the period between the 7th and 16th December when no one could file. It was additionally asked whether there was to be a further extension and the Registrar said there was no such plan, to her knowledge. The high level of new company incorporations and other filings are an indication that presenters are not experiencing difficulties in filing at present and therefore, the need for filing extensions appears to be less than experienced at the height of the pandemic.

5. Beneficial Ownership update.

Gerry Doyle said that the RBO has continued to receive a steady stream of filings and we are currently at eighty two percent (82%) of compliance in relation to companies which is 192,000 who have filed with us to date.

Because CRO are not currently striking-off companies the size of the register is growing with a high number of new companies.

The percentage of compliance has therefore not increased by much but when the CRO does resume striking-off companies the size of the register will reduce, and the compliance rate will increase accordingly.

We are currently running a non-compliance reminder campaign which RBO had planned to launch over a year ago, in March 2020 to address the approximately twenty percent (20%) of companies who had not filed with us that has been held back due to a Covid Level 5 lockdown. The RBO are planning to re-launch this campaign shortly which will involve the issue of 5000 e-mails a week and we have over 40,000 companies we would need to contact.

We have also continued with the rollout of access to the register for all the various State and Non-State competent authorities who are entitled to have unrestricted access to the register. We have seen a significant increase in the number of searches being carried out.

The new [Criminal Justice Act](#) was passed recently and commenced on the 23rd of April 2021 which means that Designated Persons now have to inspect the RBO as part of their customer due diligence when they are entering into a new business relationship with a company. There are over 2000 Designated Persons in Ireland.

If a Designated Person discovers a discrepancy in the RBO register compared to other information they have at their disposal, or information on their beneficial ownership which the company is required to provide to them, the Designated Person is obliged to report this discrepancy to the Registrar.

The Registrar is then legally obliged to write to the company concerned.

If the company does not engage with the RBO in relation to a discrepancy report they risk prosecution.

RBO has also been engaging with the Banking and Payments Federation in setting up a process for receiving these discrepancy reports and because of Data Protection concerns we had to put in place a “secure” system to receive those reports using Citrix Share file.

[RBO Search](#)

There are two tiers of searching available, tier one is for the competent authorities and to date we have had 540 searches conducted by Competent Authorities and the Tier two searches are for the public and Designated Persons and we have had 7000 searches by that group of people,

A question was asked whether it was sufficient to rely solely on the inspection of the RBO register as clarification of who beneficial owners were.

Gerry said that the Legislation clearly stated that Designated Persons are not to rely solely on the RBO, and that the object of the discrepancy reporting process is to identify where false or inaccurate information has either been filed with the RBO or presented to the Designated Person. This can only be achieved by Designated Persons comparing RBO data with particulars that come to their knowledge from other sources they have access to, including information on their beneficial ownership that the company is legally obliged to provide to the Designated Person.

Gerry undertook to send an information note concerning this matter to everyone in the Fora and that the [RBO](#) website had a useful FAQ question facility for further assistance – please see the [Frequently Asked Questions About The RBO](#) and for your information FAQ No.15 specifically relates to the responsibilities of Designated Persons.

A further question was asked whether there were any proposals to remove the search fee as this could be a burden to those who had to make numerous searches, but the Registrar said that the

search fee was set out in the legislation and if it was to be changed it would have to be changed by Legislation, there are no plans for that at present.

When the RBO is upgraded to the same level of the IT system as the CRO it will be possible to have customer accounts which is not a feature of the RBO at present.

At that stage we may consider looking at a preferential rate for heavy users of the system.

For information the e-mail address to use to request a Form BEN3A for appointing an RBO Liaison Officer or a Form DN2 for reporting a discrepancy is discrepancies@rbo.gov.ie

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

6. AOB and proposed date of next meeting.

The Registrar proposed that the next meeting would be "pencilled in" for the last week of July 2021, and its final date would be determined by whatever suits the majority of people.

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

Ph: 01 (804) 5251 or 087-3676626

E-mail: mark.donoghue@djei.ie

5th May 2021