

Minutes of the CRO Combined Fora meeting.  
Wednesday 8<sup>th</sup> March 2017  
Companies Registration Office, Parnell House.

**Present:**

**CRO:** Maureen O’Sullivan, Claudine Forrest, Gerry Doyle, David McFadden, Claire Crowley, Mark Donoghue (Secretary).

**Members:** Maire Cunningham (LSOI), Salvador Nash (KPMG), Linda Murray (Deloitte), Deirdre Mooney (William Fry), Ray Hunt (McCann Fitzgerald), Oliver Holt (Deloitte), Audrey McGrath (Eversheds-Sutherlands), Katherine Maybury (Komsec Limited), Ruairi Cosgrove (PWC), Conor Sweeney (CLS), Emer Kelly (CPA), Andrew Lambe (Company Bureau), John Carolan (CIMA), Eamonn Leahy (CCAG).

**SIPO representatives:** Derek Charles, Sherry Perreault,

**Apologies:** Dermot Madden (CRO), Eileen O’Carroll (CRO), Fiona Mahon (Eversheds-Sutherlands).

**1. (SIPO) Presentation.**

The Registrar welcomed the group, and asked if it was agreeable that Mr Derek Charles (Standards in Public Office) and Ms Sherry Perreault (Head of Ethics and Lobbying regulation) present to the group on the main requirements in relation to SIPO legislation as the first item on the agenda, undertaking to conduct the main body of the meeting after the presentation concludes..

This was agreed and Mr Charles then gave the group a concise and factual presentation outlining the requirements of the Standards in Public Office legislation and then opened the floor for questions.

Mr Charles took this opportunity to provide the address of his website for any queries. ([www.sipo.gov.ie](http://www.sipo.gov.ie)) and concluded his presentation at which point the Registrar thanked Derek for providing the group with this update. The PowerPoint SIPA presentation has also been circulated to all Fora members.

**2. CRO staff changes.**

The Registrar welcomed Claire Crowley, a new Assistant Registrar who is based in Carlow and has taken over from Gerry Doyle. Gerry is moving on to the project to establish and maintain the Beneficial Ownership Register.

The Registrar said that she also wished to mark the departure of Aine de Bairtiseil, Assistant Registrar, who has now returned to the Department.

**3. Minutes of the previous meeting.**

The Registrar asked if there were any comments raised in relation to the minutes of our last meeting, saying that she wished to raise the ITC case that was mentioned in the minutes and the change that we would have to bring about as the result of this judgement.

The CRO is no longer using the designation “receivership” from the 22<sup>nd</sup> March 2017 as a company that has an E8 filed against it will have a “normal” designation and there will be a note against the company to say an Form E8 has been filed.

There were no other matters to be addressed so the minutes were deemed agreed.

**4. Conversions final update.**

The Registrar asked Gerry Doyle to provide an update on the eventual position on conversions.

Gerry said that stats that were sent out gave the final figures in relation to conversions, there were over 50,000 forms filed in total made up of 43,598 N1s, 1,854 N2s and 4,618 N3s. In spite of CRO’s pleas for companies to file in a timely manner, CRO received 20,000 forms in the month of November of which over 5,000 forms were received on the deadline day itself, 30 November. This made it impossible to have all conversion documents registered by midnight on November 30<sup>th</sup>.

As the legislation did not envisage that there would be an overhang of documents remaining to be converted at this point, various legal issues arose which had to be resolved quickly. Solutions were eventually found to address these difficulties and the overhang of documents were all registered by 3 December.

The conversion period is now over but the previous provisions by which a company could re-register or change its name still exist, this concluded Gerry's update.

## **5. Mandatory Electronic filing.**

The Registrar said Mandatory Electronic filing was going to come into effect on the 1<sup>st</sup> June 2017. This is not really anything new, it will just require customers to actually use what is already available. Customers who are already using the electronic B1 will now be required to upload their financial statements in PDF form, rather than sending them in manually.

It will also be necessary to pay electronically rather than to send in a cheque or even cash.

The CRO are not requiring that customers use the ROS certification and they may still send in a signature page as usual, but this does have to come in within 28 days or it's not considered a valid filing.

The financial statements do have to be uploaded before the signature page reaches the CRO.

The CRO ran an advertising campaign before Christmas about the four forms that are being included in this which are the B10, the B2, the B73 and the B1.

Our next round of advertising will focus on the B1 form as we do not want customers who already filed the B1 electronically to think that they do not need to change their normal filing procedure.!

The CRO intend to provide the details of this in the form of an electronic flyer for every company we have an e-mail address for and we will write to anyone else for whom we have an address listed and we are currently working on an advertising campaign intended to address this matter specifically.

All companies are naturally required to have an e-mail address to use electronic filing and the CRO have therefore tried to encourage customers to register on CORE and give us a contact e-mail address.

Several questions were then asked by members of the Fora including:

Q: Can a B1B be filed electronically from June ?.

A: The CRO said that this will be possible.

Q: Is there a limit on the size of financial statements you can upload ?.

A: The CRO said yes, it's currently restricted to 5mg which should be sufficient for most requirements but for larger files the CRO can deal with them on a case by case basis.

Q: Will a company be able to e-file B1s for multiple years at the same time (eg in a restoration case)

A: Yes.

Q: Will the CRO still accept manual copies of the "Other Directorships" lists or will it be possible to upload the list as a PDF.

A: The CRO said it will only be possible to upload one PDF attachment to the B1 form, which will usually be the financial statements. CRO will consider if there is an alternative solution to the "Other Directorships" being entered on the electronic B1.

Q: For companies who are part of a group, will it be possible after 1 June to file a B1U with several B1s and upload the same set of accounts and the section 357 statements once for all companies.

A: The CRO will have to consider how best to deal with B1Us.

Q: Is a Payment Authorisation Form (PAF) required to be filed with an electronic B1 signature page.

A: No.

Some detailed discussion took place around particular filing difficulties concerning uncommon and infrequent filing combinations which may be arise with mandatory e-filing. These details will be clarified and the CRO will revert to the Fora. This concluded the discussion of this matter.

## **6. Beneficial Ownership**

The Registrar said that the CRO is still in the "grey area" that we were in when this matter was last discussed in October except that the Statutory instrument (SI 568/2016) was published by Department of Finance in November and this required companies to collect beneficial ownership information from the 15<sup>th</sup> of November 2016.

There has not been any formal Governmental or legal decision that the CRO is going to be hosting the register of Beneficial Ownership Register (BOR) for corporate and industrial and provident societies, but this realistically is the position and we are currently preparing to put the Register in place as its due to commence on the 26<sup>th</sup> June 2017.

There are a number of pieces of work involved in this –

- a communication campaign to inform customers about their obligations,
- the creation of an on-line portal to gather the data,
- the creation of a website to provide information and facilities to search the data, and
- the enforcement of compliance in relation to companies who do not comply with their legal obligation to file their beneficial owner data.

For the moment, CRO is concentrating on the first two because that is what we must have in place by 26 June.

In terms of publicity and advertising we are a bit hamstrung by the fact that the decision designating CRO as having responsibility for the BOR has not been made yet formally but we are working on the data capture aspect of the project.

At the moment CRO is looking for the data specified in the SI implementing Article 30 of the 4<sup>th</sup> Anti-Money Laundering Directive. However, the Commission is already considering a 5<sup>th</sup> AML Directive as a result of which the situation may change.

Gerry Doyle was invited to comment and he said that the Directive places a legal obligation on every company to file data on their beneficial ownership (unless listed on a regulated market) and that there will be a new form which will be both electronic and free. CRO will be e-mailing and writing to every company advising them of this, and how to file their data, in the coming months.

Some discussion took place around the general question of Beneficial Ownership and concerns were expressed that the Beneficial Ownership form may seek to capture data that the CRO prescribe, based on CRO's interpretation of the legislation, this may be at variance with the industry and practice view. It was further noted that some values required i.e Name and Date of Birth may be easily obtained but more subjective values like "nature of interest" may be much harder to obtain.

There were also security concerns expressed around providing residential addresses on the Register. In general terms, there is a sense that this has been a hastily managed initiative and it is lacking clarity, even at this relatively late stage.

Katherine Maybury (Komsec Limited) said that the SI imposed a criminal offence on companies if they failed to comply with the Beneficial Ownership requirements, and yet the Government had yet to impose legal requirements and deadlines on companies without providing adequate information and support., and that she wished these concerns to be formally recorded in the minutes.

Salvador Nash (KPMG) also raised the question of compliance and what meaningful sanctions CRO had available to enforce compliance.

It was suggested that it would be helpful if members of the Fora could be given a demonstration of the new on-line form for filing beneficial ownership data and it was agreed that a date in early May might be suitable for this demonstration.

The Registrar undertook to pass on these concerns to the Department and the discussion concluded.

## **7. Assistant Registrar's update**

The Registrar then invited Gerry to give an update on the statistics in the Stats Pack circulated to members. Gerry said that he has already covered Conversions and that the rest of the statistics were fairly self-explanatory. He said he would be happy to provide any further clarification necessary. As no questions were raised, this concluded his update.

## **8. The Companies Accounting Bill update:**

The CRO has been told that the Department expects the Bill to be taken at report stage in the Dail in the week commencing 21<sup>st</sup> March 2017 and if that were the case they hope to be in the Seanad in early April and move to enactment soon after that, this is obviously subject to change.

The CRO is aware that companies are concerned about what financial years the new provisions will apply to. Currently the intention is for the contents of the Bill to apply to financial years beginning in late 2016 but there will be provision in the Bill to allow companies to go for earlier years if they wish to. There is also a particular group of companies for whom certain provisions of the Bill will only apply to financial years beginning on or after the 1<sup>st</sup> of January 2017. It is hoped that the Bill will be enacted around the end of April. The Registrar then concluded her update.

## **9. Audit Exemption**

Conor Sweeney (CLS) brought up a proposal that where a company has missed its ARD and applied to the Courts he proposed that the courts would only be in a position to remove the CRO fines but not the requirement to audit for two years. He spoke at some length against this situation and the absence of any right of appeal.

Eamonn Leahy (CCAG) raised the following points in relation to the Audit process which were noted:

1. To use the audit process as a penalty was a misuse of the audit process, in his view.
2. The cost was disproportionate on smaller cases, and a deterrent to entrepreneurial effort.
4. He felt that no useful purpose is served by auditing often what are very small entities.
5. It flies in the face of the EU wide trend to disengage smaller businesses from burdens which are increasingly designed for larger more complex companies.

This concluded discussion of the Audit process.

## **10. AOB**

Under AOB Emer Kelly (CPA) raised the question of the current level of applications being made with the District Court.

The Registrar said that number of companies that were availing of the District Court process has increased, there were 1200 applications received in 2016 and 1100 were granted and only 16 were refused, whereas in 2015 there were only 96 request received and none were refused.

In 2017 so far there have been 31 orders granted and just 1 refused. These figures compare with a 50% approval rate under the administrative Waiver Scheme operated by the CRO up to 1/6/2015.

A number of members expressed concern at the provision in the heads of the recently published Companies Statutory Audits Bill 2017, which would result in companies granted extensions of time to file their annual return in either the District Court or High Court still losing their audit exemption.

The Registrar undertook to convey these concerns to the Department.

Eamonn Leahy (CCAG) said that when the Department of Social Protection are making payments to employees of Liquidated companies, they will no longer make the payment to the employee unless the company is recorded as being in liquidation on the CRO Register and Eamonn asked if there was a way of accelerating the processing of the G2 and E2 forms to hasten this?

The Registrar said that there was no particular delay in the processing of these forms that she was aware of and that there has just recently been an increase in staffing within the section, she did not consider this was likely to be a problem going forward as these forms are due to be made available to file electronically in 2017 and this will speed up processing.

There was nothing else to be addressed under this item so the Registrar thanked everyone for attending and then concluded the meeting.

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