

Minutes of the CRO Stakeholder Forum meeting.

Wednesday 20th February 2019

Companies Registration Office, Bloom House.

Present:

CRO: Maureen O’Sullivan, Dermot Madden, Claire Crowley, Claudine Forrest, Gerry Doyle.

Members: Linda Murray (Deloitte), Deirdre Mooney (William Fry), Oliver Holt (CAI), Cath Matthews (CPA), Emer Mullen (Sabeo), Conor Sweeney (CLS), Katherine Maybury (Komsec Ltd), Dearbla Kelly (Maples Group), Leanne Fielding (William Fry), John Carolan (CIMA), Ruairi Cosgrove (PWC), Andrew Lambe (Company Bureau), Eamonn Mooney (CAI), Ciara O’Donoghue (KPMG), Ray Hunt (McCann-Fitzgerald), Jenny McGowran (Simmons & Simmons).

Apologies: Paul McHenry, David McFadden, Salvador Nash.

1. Minutes of the previous meeting.

The Registrar welcomed the group and enquired whether there were any observations in relation to the minutes of the previous meeting, there were none, so they were deemed agreed.

2. Brexit.

The Registrar addressed this item saying that the CRO has posted information on our website www.cro.ie relating to areas where Brexit may have an impact, but this is not an exhaustive list. The purpose of placing this item on the agenda was to give an opportunity to identify any further Brexit related issues that may have arisen amongst Fora members.

Issues identified so far and highlighted on the website are the requirements for companies which do not have an EEA director. These requirements may come into play for companies whose only EEA director currently is based in the UK.

This information can be found under the “latest news” area on our website.

Another issue identified relates to branches of UK companies which are registered in Ireland. In the event of a hard Brexit, these branches would immediately become non-EEA branches and would have to abide by the filing requirements for non-EEA branches in future. It is not intended to require any company to re-register and CRO will consider changing the designation of branches of UK companies from EEA to non-EEA at a later date.

EEIG’s will also be area which may have some implications, but the law is very clear and requires all members of an EEIG to be based in the EU. There are currently only 30 EEIGs on the register and we are currently engaged in an enforcement campaign against groupings which have failed to file returns so the number on the register may reduce somewhat.

Issues identified by Forum members related to Section 357 re Guarantees and Sections 299/300 re Exemption from consolidation for holding company that is a subsidiary undertaking of an undertaking registered in the EEA (section 299) and non-EEA (section 300). CRO undertook to follow up on the matter and update the information on the Brexit section of the website.

3. ICT Refresh Project.

The Registrar invited Claudine Forrest to address this item.

Claudine reminded everyone that the launch they recently attended was the RFS phase of the refresh project and this was considered to have gone well, and the CRO is now working through the bugs that were identified in the new system since it went live.

This has enabled us to thoroughly test the system in its current format while working in tandem on the companies' side of the project.

We have conducted workshops with our staff and the project team and we are focussed on ensuring that the new system retains the functionality of the current system in addition to capturing the benefits of the new system-

In general terms the project is proceeding well and is within cost and scope although slightly behind time.

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

4. Beneficial Ownership update.

The Registrar invited Gerry Doyle to update the Group on Beneficial Ownership.

Gerry said that the Statutory Instrument establishing the new Register of Beneficial Ownership is still awaited but that D/Finance are saying they expect to sign it in Q1, 2019.

The 5th Anti Money Laundering Directive has come into force and this provides for public access to most of the Beneficial Ownership data except for the day of birth and the address.

After the initial filing period which will be six months the register is expected to be made available to the public in most significant respects.

The CRO does get queries from time to time which tend to revolve around the definition of a beneficial owner and in relation to parent companies and subsidiaries.

The Directive requires that a beneficial owner must be a "natural person" and cannot be a company so if a company is owned by another company it would have to be the beneficial owner of the parent company who is recorded on the register.

The other subject that we receive enquiries about concerns the definition which includes "control by other means" which is considered as a vague description.

CRO does not interpret definitions or provide legal advice, but the Directive does say that control by other means can be "through a shareholder's agreement, the exercise of dominant influence or the power to appoint senior management".

The Registrar commented that the timing of the opening of the Register should mean that it will not have to be migrated from a legacy system but can go straight onto the new IT platform.

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

5. Forthcoming legislation.

The Registrar said that forthcoming legislation includes the [Companies Amendment Bill](#).

This Bill is divided between two sections, the first states that our “consecutive” double filing periods of 28 days will now become a single period of 56 days and the second section gives the Minister power to commence this change by Order, as it will have to commence in tandem with our new system as the functionality to enable this is not available in our legacy system but will be immediately available as part of our system upgrade.

This is not a contentious piece of legislation and we would expect it to be enacted quite quickly. It will then be a question of the CRO picking a date for this to “go live”.

This will not be in place for the peak filing period this year but will be in place after that.

The benefit will be that a customer will be able to file everything at one time and get the signature page back, have it signed and uploaded and complete this within 56 days of the ARD.

The second item that the Registrar mentioned was that the Department is running a consultation on Limited Partnerships with a closing date of Friday 1st March 2019.

There are twelve questions ~~asking~~ asking about limited partnerships so if there are any issues concerning this that you wish to raise this is your opportunity and the details are posted on the Departments [website](#).

6. Assistant Registrars updates.

The Registrar invite Claire Crowley to update the group.

Claire said that Annual Returns were proceeding well with current documents processed averaging about five or six days old.

There was some comment made in relation to a backlog of B10's and this difficulty was acknowledged, this is being actively addressed by addressing-staff vacancies in this area.

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

Prosecutions update

In the absence of Paul McHenry, the Registrar updated the group on Prosecutions statistics. Between the 1st of October and 19th February, we have had 87 cases involving 75 companies. In 50 cases there were fines imposed, one case got the probation act and one was struck out. Thirty-four cases were adjourned, and one case was “taken into consideration”.

The total fines in all those cases amounted to fifty-eight thousand euros and CRO were awarded €7500 euros in costs.

This Enforcement process is continuing, we still have three companies adjourned and we have a new batch of eleven cases commencing next week.

CRO intend to prosecute more regularly from now on, perhaps every couple of months.

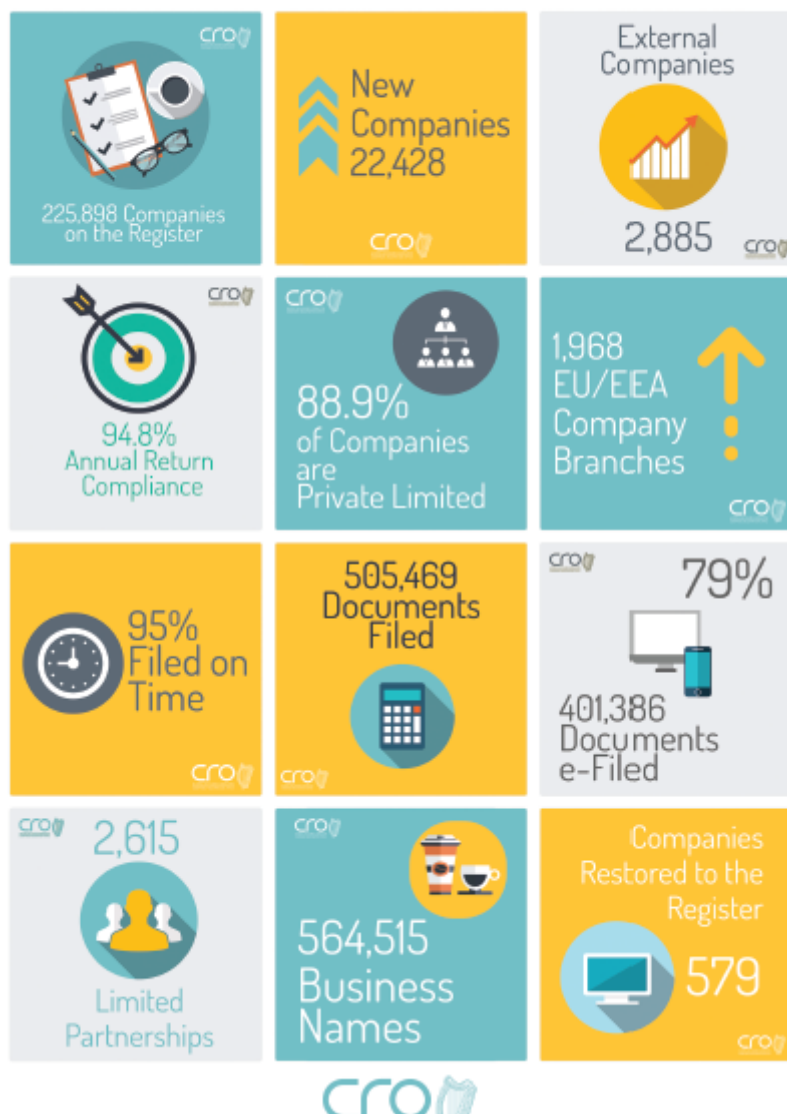
The [Companies Accounting Act 2017](#) contains some new forms which included an FS1 form which is completed by investment companies, we received 419 of those during 2018.

There is in addition a PR1 form which is a record of payments to Governments, we got 3 of those and we had 413 cases where financial statements were filed where previously there had only been an auditor's report.

The overall total of all companies who included financial statements with their returns is 1788.

Overall compliance is now ninety five percent of companies filing on time and we received over half a million documents last year.

Dashboard Statistics CRO 2018



7. Date of next meeting.

The 13th June 2019 at 10:00 am is proposed for the next meeting to take place and these details will be confirmed well in advance of that date.

8. AOB.

There was nothing to be addressed under AOB, so the Registrar thanked everyone for attending and then concluded the meeting.

Mark Donoghue

Secretary CRO Forum

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20th February 2019