

Minutes of the CRO Stakeholder Fora meeting.
Wednesday 14th March 2018
Companies Registration Office, Bloom House.

Present:

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

Apologies: Dermot Madden (CRO).

Members: Salvador Nash (KPMG), Linda Murray (ICSA-Deloitte), Deirdre Mooney (William Fry), Ray Hunt (McCann Fitzgerald), Oliver Holt (CAI), Dearbla Kelly (Eversheds-Sutherlands), Karen Flannery (Chartered Accountants Ireland), Conor Sweeney (CLS), Jillian O’Sullivan (Grant Thornton), Kathryn Maybury (Komsec Limited), Ruairi Cosgrove (PWC), Emer Kelly (CPA), Eamonn Leahy (CCAB-I), Patrick Butler (Philp Lee/ICSA)

1. Minutes of the previous meeting.

The Registrar welcomed the group to the meeting, apologised that it had been necessary to defer the previous meeting on the grounds of the heavy snowfall and then enquired whether there were any changes required in the minutes of our previous meeting.

As there were no changes, the minutes were deemed to be agreed.

2. Mandatory electronic filing.

The Registrar dealt with this item saying that mandatory electronic filing was well advanced at this stage and asked Claudine Forrest to update the group.

Claudine said that the “peak file” actually went better than we had anticipated and that the compliance rate was 94.7%, which was a very good figure by any standards. The increase in compliance has had the effect of reducing our “late filing” income, but this is a natural consequence of CRO improving our compliance rate.

Claudine then took this opportunity to provide an update on our “system refresh” IT project.

The CRO have begun a new project to replace all our front and back end systems at the end of last year and we are currently extending the number of forms which can be filed electronically.

It is expected that vendors of software package should be able to easily extend the number of forms available to their customers for online filing. We are also replacing our database with a new system which should make it far easier to search within individual databases and enable us to add services like electronic payment to any of our systems which do not currently have this facility.

Claudine will update this group as the new system evolves over time, she then concluded her update.

3. Beneficial Ownership update.

The Registrar invited Gerry Doyle to provide an update on this matter. Gerry began by saying that progress since the last meeting had not been very substantial as Department of Finance who are the policy makers have the responsibility to create the Register of Beneficial Owners and the post of Registrar of Beneficial Owners had expected the SI to be finalised by the end of quarter one., but this it currently appears unlikely that this will be realised.

Department of Finance have committed to introducing the necessary statutory instrument in the first quarter of 2018 so we expect this should be happening very soon.

When the legislation is put in place we are hoping there will be a six-month filing period for companies and we are putting in place an on-line portal so it will be an entirely electronic process with no paper based forms involved.

The information required will be forename, surname, date of birth, country of residence, nationality, and nature of business.

The discussion then turned to the use of the PPSN number to afford a method of providing a unique identifier to ensure the accuracy of the register.

Gerry said that this element was still under consideration and was an essential measure in his view.

The Directive requires that the register is accurate and the PPSN number is seen as the best way to ensure this functionality.

Access to the Beneficial Ownership register will only be available to Financial Intelligence Units (FIU) at least initially, but this could later be extended to State Competent Authorities.

Companies Registration Office will only maintain the Beneficial Ownership register in respect of those companies and industrial & provident societies which we have registered.

This concluded the discussion of this item.

4. Assistant Registrar's update

The Registrar invited Eileen O'Carroll to begin the Assistant Registrar's updates.

Eileen mentioned that the statistical "pack" had already been issued and that there was no additional information, the incorporation of new companies continues to rise and as previously mentioned by the Registrar. Companies filing on time are at a level of 94.7%, which is a very satisfactory increase in compliance, our compliance measures appear to be working.

The figures in relation to Receiverships and Liquidations are consistent with previous years.

We are reducing the timeframe for issue of the ten-week warning notification from 300 days to 180 days and it is currently at 190 days.

This will mean that a company that has not filed within six months of its ARD will receive a ten-week warning letter, it is hoped that all of these measures will contribute to improve the compliance rate.

The CRO has taken twenty-two cases for prosecution last November and we had adjournments to January, February and March which are now concluded, with the fines imposed between €600 and €1200.

This concluded Eileen's update.

Claire Crowley began her update saying that although we lost several processing days to the snow we appear to have largely caught up by now.

Carlow is now working on documents which came in last Friday.

When asked about the processing time for B10 forms Claire said that they are regarded as urgent and that they are processed within twenty-four hours.

In the majority of cases these documents will "auto register" and we will only experience a processing delay should a problem prevent this taking place.

This concluded Claire's update.

5. Statutory Audit Bill update.

The Registrar provided this update by saying this Bill has passed Committee stage in the Dáil. There had been some opposition amendments down on sections dealing with the District Court but they were withdrawn and the Minister indicated that she will be bringing a package at report stage although it is not known what will be in that package as she will have to get the approval of Government for her proposals. It is likely that Report Stage of the Bill will be after Easter.

This concluded the Registrar's update on this matter.

6. Questions asked by the Fora.

(Q) Is it CRO policy is to shred originally signed signatures pages in cases where forms are being returned?

(A) Originally Signed Signature pages – Yes, the policy of the CRO is to shred originally signed signature pages where the annual return has to be sent back for amendment. The reason that these are shredded is that once the annual return is amended and resubmitted the barcode on the page becomes null and void. In relation to the return of an annual return due to a date not being included on the signature page, this is not usually the case. If a signature page for a B1 is received and it is correctly signed by the director and secretary but the date is missing the instruction to staff is to accept this. A reminder email has issued to all staff advising them that in those circumstance the annual return should be accepted (assuming everything else on the return is correct).

(Q) Can you confirm if counter-signed forms will be accepted by the CRO.

(A) Counter-signed documentation – we cannot accept counter signed documentation where the page has a barcode on it. In that instance, it is not possible to receive two separate documents, only one document signed by both parties is acceptable. However, in other instances, such as consent pages, overall certification pages, where there is no barcode then these can be counter signed to facilitate ease of signing.

(Q) Director Lists: In cases where financial statements are not being filed with an annual return (for example, the first annual return or the extension of the annual return date) and the annual return is electronically filed and signed by an electronic filing agent, the annual return (and form B73, where relevant) is uploaded to the CRO almost immediately (i.e. the annual return is available to view soon after it has been electronically filed).

(A) We can and will accept directorship lists where financial statements are not being filed with the annual return. It is not a straight forward process as when received it appears that the annual return has been completed. However, this is just a technical situation and staff can go ahead and receive the list and get it scanned on to the system.

(Q) Some Forum members raised the recent e-zine which indicated that the Registrar would no longer use her discretion to give an extra 14 days to correct certain errors. The Small Firms Association had written to the Registrar to express their concerns on this and did not feel that her response had adequately addressed their concerns.

(A) It was very clearly stated in information and awareness material produced by the CRO around the introduction of mandatory electronic filing that the financial statements must be uploaded before the signed signature page has been received to constitute a properly filed annual return. However, in significant numbers of cases financial statements were not being uploaded or unsigned signature pages were being submitted, in one example an envelope with 24 blank signature pages was received in Carlow. The Registrar outlined the new policy which is that in cases where the financial statements have not been uploaded or where the signature page has not been signed the return will be regarded as incomplete and will be rejected and the Registrar's discretion will not be used. In the case of other errors, the Registrar will continue to use her discretion although the matter will be kept under review.

7. AOB

Claudine Forrest took this opportunity to make a request on behalf of the CRO Communication Section. The CRO has recently acquired a Digital Communication expert and are seeking the Fora's assistance in completing a survey in relation to social media and related communication matters. There was wide support for this proposal and Claudine thanked the group.

There was nothing further to be addressed under AOB so the Registrar concluded the meeting.

Mark Donoghue

Secretary CRO Stakeholders Forum

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2018