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Consumer Representative Actions: Designation of Ireland's First 'Qualified Entity'

June 2024

On 30 April 2024, the *Representative Actions for the Protection of the Collective Interests of Consumers Act 2023* ('**Act**') came into operation, introducing a new legal framework to enable a 'qualified entity' ('**QE**') to bring representative actions on behalf of consumers.

The Irish Council for Civil Liberties ('**ICCL**') has now been designated as Ireland's first QE for the purposes of the Act.

Background

The Act transposes into Irish law the European Union Directive on representative actions for the protection of the collective interests of consumers (EU) 2020/1828. Under the Act, a QE can bring representative actions on behalf of consumers at both national and cross-border level in circumstances where a trader has infringed their consumer rights under specified consumer legislation.

On 30 April 2024, *The Representative Actions for the Protection* of the Collective Interests of Consumers Act 2023 (Prescribed Forms) Regulations 2024 were published, which included an application form for designation as a QE pursuant to section 8 of the Act.

In order to be appointed as a QE, an entity must provide details of having publicly engaged in the protection of consumer interests for a period of 12 months prior to making the application. It must also have established procedures to prevent influence by persons other than consumers and





to prevent conflicts of interest between itself, its funding providers and the interests of consumers.

Ireland's first QE

Section 16 of the Act requires the Minister for Enterprise, Trade and Employment to establish and maintain a register of QE's. On 06 June 2024, the <u>Register of Qualified Entities</u> was published on the website of the Department of Enterprise, Trade and Employment and it included details of the designation of the ICCL as a QE with effect from 06 May 2024.

The ICCL was established on 30 June 1976, with a constitution that includes the aim of defending and promoting civil liberties and human rights. As required by the Act, it is a non-profit organisation.

As part of the application process, an applicant must confirm that it is not subject to insolvency proceedings or has not been declared insolvent. Information on how the ICCL is funded and its solvency are available in their annual report, available on the ICCL website.

Conclusion

The designation of Ireland's first QE, following the Act's commencement at the end of April 2024, brings the reality of a domestic consumer representative action one step closer. However, as discussed in our previous articles, uncertainty remains on a workable funding mechanism for such collective redress actions, given the general prohibition on third-party funding of litigation in Ireland, and the requirement by the Act for non-profit organisations, such as the ICCL, to bring these actions on behalf of consumers.

For further detailed information on the Act, please see our January 2023, May 2023, September 2023 and May 2024 briefings.

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