



A New Companies Act is Signed

22 November 2024

A new Companies Act, namely the [Companies \(Corporate Governance, Enforcement and Regulatory Provisions\) Act 2024](#) (the “**Act**”) was signed into law by President Higgins this month, following the Bill’s successful passage through both Houses of the Oireachtas, prior to the upcoming general election.

This legislation provides some much welcomed certainty for many companies as, in addition to addressing a number of technical issues under the Companies Act 2014, which have in some cases hindered structuring, companies will now be able to benefit from more flexibility when executing deeds, hold virtual shareholder and creditor meetings going forward and enjoy other welcome reforms, more flexibility and practical processes (outlined briefly below).

The Act includes changes to the regulatory, governance and enforcement provisions of the Companies Act 2014. We had outlined some proposed features in our previous insights[1] on the draft legislation. Key items brought forward and of note from a corporate governance and corporate administration perspective in the Act include:

- *virtual general meetings*: wholly virtual general meetings (AGMs and EGMs) are now permitted on a permanent statutory basis (they were temporarily permitted under Covid-19 legislation but this concession was due to expire in December 2024). Hybrid online and in-person meetings may also be legitimately facilitated, unless expressly prohibited by the company’s constitution;
- *execution in counterpart of documents under seal*: companies may execute documents under seal in multiple parts (again, this was temporarily permitted under earlier Covid-19 legislation but this particular provision had in fact expired). Prior to this, all signatories and the company seal needed to be on the same signature page posing a logistical burden in many circumstances;
- *mergers*: domestic mergers can take place involving two or more ‘designated activity companies’ (“**DACs**”). Up to now, at least one of the merging companies needed to be a private limited company and, as a result, a DAC needed to re-register as a private limited company before it could avail of the merger regime. The Act also facilitates a group of subsidiary companies merging into their parent company via one merger process. Previously, a separate merger process needed to be carried out by each subsidiary (although they could be carried out in parallel);
- *flexibility for small company audit exemption*: up to now, a small company or micro company would lose its audit exemption if it failed to file any annual return on time with the Companies Registration Office (the “**CRO**”). Now, the audit exemption will only be lost where such a company also fails to deliver its annual return on time for a second or subsequent time within a five-year period;
- *involuntary strike-off new grounds*: three new grounds for involuntary strike-off are introduced as follows: 1. failure to deliver notice of change of registered office; 2. no secretary of a company

having been filed with the CRO; and 3. failure to notify information relating to a company's beneficial owners;

- *shareholder resolutions and SAP declarations*: certain types of shareholder resolution and Summary Approval Procedure declarations will be required to be delivered to the Registrar of Companies in a prescribed form;
- *optional reporting of board gender*: companies may choose whether or not to publicly provide information on the gender of its board of directors within its annual return, for statistical purposes only.

Other noteworthy features of the Act include:

- *increased statutory powers*: the Act includes increased powers and functions of the relevant statutory authorities including the Corporate Enforcement Authority and the CRO and amendments to provisions related to corporate insolvency and regulation of receivers.
- *new Category 2 Offence*: a new category 2 offence will be added where a person obstructs or interferes with an officer of the Corporate Enforcement Authority.

The Act, which is seen as a significant and welcome enhancement of Irish company law, will commence by Ministerial Orders. The first Ministerial Order [S.I. No. 639/2024 - Companies \(Corporate Governance, Enforcement and Regulatory Provisions\) Act 2024 \(Commencement\) Order 2024](#) has now been published, with a number of the above provisions including those around virtual meetings (which had been due to expire by December 31), commencing with effect from 3 December 2024. We are monitoring developments.

For more information on the above, or for further guidance and insight in respect of the corporate governance of Irish-incorporated companies generally, please contact [Gráinne Boyle](#) (Grainne.Boyle@matheson.com) or your usual Matheson contact.

{1} [Corporate Enforcement: Key Developments for Directors](#)
[Managing Corporate Governance in Irish Subsidiaries Series](#)