



CORPORATE GOVERNANCE AND COMPLIANCE UPDATE

CRO & ODCE 2021 Annual Reports and the Corporate
Enforcement Agency

Gatal Gazette - Issue 10 – Summer 2022



Since the issue of our Spring Update, the three main Corporate Governance talking points have been the publication of the 2021 Annual Reports by both the Companies Registration Office (“CRO”) and the Office of the Director of Corporate Enforcement (“ODCE”) which were shortly followed by the recent establishment of the Corporate Enforcement Agency (CEA”). This update will look at the main points relating to these three events.

The Companies Registration Office Annual Report 2021 – www.cro.ie

This annual report contained a number of statistical pieces of information in relation to the companies registered in Ireland, including the following:

- The number of companies on the Register at the end of 2021 was 270,835, which has grown from the 181,104 on the register 10 years ago.
- 510,000 documents were received by the CRO during the year, of which 89% were filed electronically.
- The CRO received 257,150 annual returns during the year.
- The CRO expenditure during the year was €6.7 million and its total income for the year was €16.42 million.
- 10,309 companies paid late filing fees resulting from their annual returns not being filed on time – the total amount received in late filing fees was €6 million.
- 594 companies applied to the District Court for additional time to file their annual returns.
- Over 253,000 documents were purchased from www.cro.ie, which was visited 1.2 million times during the year.
- 25,468 new companies were registered during the year, which has grown considerably from the 14,615 companies registered in 2011.
- 428 companies re-registered to a different company type, more than half of which were conversions to unlimited companies.
- 1,800 liquidation applications were registered in the year.
- There were 3,691 individuals listed on the register of disqualified persons at the year end and 481 individuals on the register of restricted persons.
- 7,033 companies were struck off the register voluntarily in 2021, an increase of over 28% on 2020 figures.
- The total number of Business/Trading names on the Register was 626,370.
- 24 companies were involuntarily struck off the register for not having an EEA resident director.



The Office of the Director of Corporate Enforcement Annual Report 2021 – www.odce.ie

The 2021 annual report of the ODCE noted the following:

- 51 Company Directors were restricted.
- 39 company directors were disqualified from acting as a director
- 16 years - the longest disqualification period to date was imposed by the High Court.
- An aggregate of 213 years in disqualifications was imposed and an aggregate of 255 years in restrictions were set in 2021.
- 131 Auditors indictable offence reports were received by the ODCE – the figure was 75 during 2020.
- 8 Search Warrants were executed and 8 arrests made during the year.
- 12 criminal charges were brought to the courts.
- The cost of running the ODCE during 2021 was €5 million
- The ODCE received 201 complaints from members of the public during the year – most of which related to the conduct of directors, allegations of fraudulent /reckless trading and Annual General Meeting matters.
- A total of 1,757 companies entered liquidation during the year.
- The ODCE submitted 3 files to the Director of Public Prosecutions during the year.

Establishment of the Corporate Enforcement Agency in Ireland – what is the CEA? – www.cea.gov.ie

The CEA was established on 7 July 2022 as Ireland's company law enforcement agency, whose aim is to promote high standards of corporate behaviour through the enforcement of Company Law. As of June 2022, there were over 280,000 active companies on the Register of Companies, all of which, along with their directors, comes within the remit of the CEA, which is the competent authority for the purpose of imposing sanctions on company directors.

The main functions of the CEA, under the Companies Act 2014 include:

- Promoting company law compliance
- Investigating suspected breaches of company law and taking appropriate action
- Supervising the activities of liquidators of insolvent companies
- Operating a regime of restriction and disqualification of directors of insolvent companies

The CEA receives information from auditors, examiners and receivers, who along with certain professional bodies, are required to submit reports to them under certain circumstances.

The CEA also actively encourage members of the public to submit complaints and any concerns where they suspect any instance of non-compliance with company law.

Enforcement action taken by the CEA can include:

- Issuing warnings and requiring evidence of voluntary rectification of non-compliance
- Requiring company directors to take steps to bring about compliance
- Applying to the Court for orders against directors and companies
- Refer matters of concern to another statutory regulator where it falls outside the remit of the CEA – for example The Director of Public Prosecutions for more serious cases where criminal charges could be considered.

Enforcement powers of the CEA include:

- The power to apply to the High Court for the disqualification of company directors
- The power to apply to the High Court to have a company wound up
- The power to initiate summary convictions in the District Court

As can be seen by the above, company law, corporate governance and company secretarial compliance is regulated and monitored very closely by the relevant authorities. With the number of Director disqualifications, restrictions, court cases and fines increasing on an annual basis, it is

Please feel free to contact us should you have any related queries or if we can assist in any way.



Gatal Limited assists companies, their directors, company secretaries and shareholders to comply with the constantly changing regulatory landscape in Ireland and with the statutory responsibilities and obligations placed on them under the Companies Act 2014 by providing solution focused practical and technical assistance.

Our services are provided to a large number of domestic and international clients and cover all incorporation, all compliance requirements and dissolution services along with all Company Law changes that arise during the life span of Irish Companies.

Gatal – Dublin

3rd Floor Ulysses House, Foley Street,
Dublin 1, Ireland
D01 W2T2
T +353 (0)1 888 1004

Gatal – Cork

83 South Mall, Cork,
Republic of Ireland
T12 Y15N
T +353 21 427 5176

Ned Murphy - Director

admin@gatal.ie

021 – 4275176

Diarmuid O'Connell - Director

admin@gatal.ie

01 - 8881004

David Martin – Senior Manager

david.martin@gatal.ie

01 - 8881004