

# Corporate Governance and Compliance Update

Gatal Gazette - Issue 11 – April 2023

[www.gatal.ie](http://www.gatal.ie)

## New legislation affecting CRO filings, the Rights of Access to the Register of Members and a new Company Law Reform Bill

In this update, we continue to highlight recent developments in Company Secretarial Practice and Corporate Governance Regulations affecting Irish incorporated companies and we outline what further changes we can expect to see in the coming months.

### 1. PPSN NUMBERS FOR ALL COMPANY DIRECTORS

The Companies Registration Office has announced that, pursuant to Section 35 of the Companies (Corporate Enforcement Authority) Act 2021, all directors of Irish companies are required to provide their Personal Public Service Number (PPSN) when:

- Incorporating a new company
- Appointing a new Director
- Filing an Annual Return
- Filing Form B69

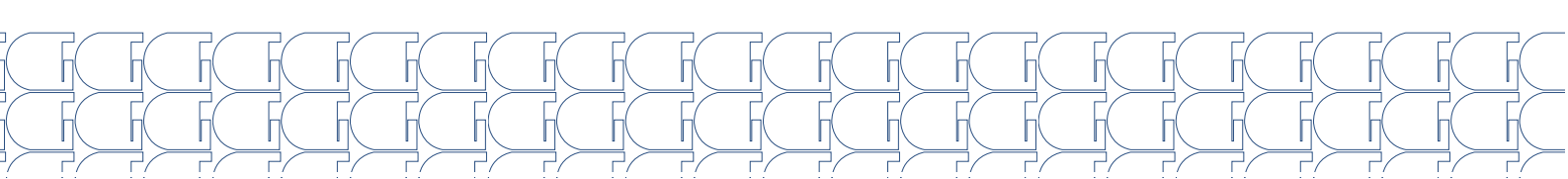
The CRO will then verify the identity of the individual by comparing the name, date of birth and PPSN number with the data held by the Department of Employment Affairs and Social Protection (DEASP).

Where the Directors PPSN does not match the details held by the DEASP, the CRO will reject the filing, which may lead to late filing fees in the case of Annual Returns being filed.

Any Director that is resident outside of Ireland and does not have an active PPSN number, can apply to the CRO for a Verified Identity Number (VIF number) and they do not have to apply to the DEASP for a PPSN.

Where a Company Director has already been issued with an RBO number, this number can be used as the VIF number on the relevant form.

Please contact us today if you are a Director of an Irish company and do not have a PPSN or an RBO identification number.



This new requirement stemmed from a report in 2020 which noticed that hundreds of new companies were incorporated in Ireland using stolen identities of existing company directors that were unaware of the new incorporations.

It is important to note that PPSN, RBO or VIF numbers will be encrypted by the CRO software and will not be visible to the public via company searches.

## 2. RIGHTS OF ACCESS TO THE REGISTER OF MEMBERS AND COMPANY OBLIGATIONS UNDER SECTION 216 OF THE COMPANIES ACT 2014

The Corporate Enforcement Agency has recently issued an information note on this subject, noting that they receive regular complaints from members gaining access to a Company's Register of Members ("the Register").

One of the main aspects of the complaints is based around General Data Protection Regulation ("GDPR") and assertions by Companies that they cannot provide access to the Register on data protection grounds.

Under Section 169 of the Companies Act 2014, every Company is required to maintain a Register of the Company's past and present members. The Register should contain the name, address and number of shares held by each member along with the dates they were entered into the Register and when they ceased to be a member.

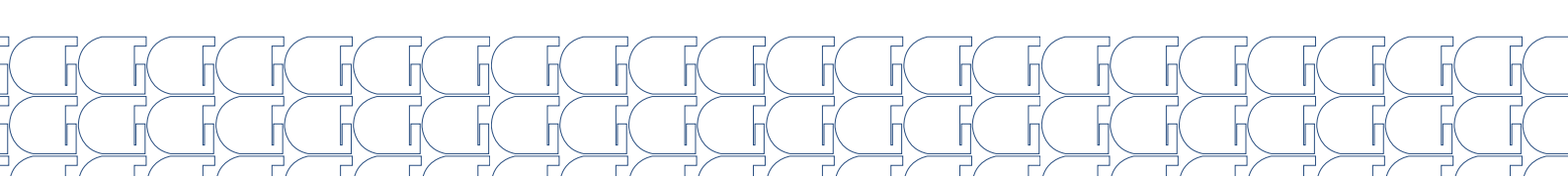
Members of a Company are entitled to inspect the Register without charge and any other person (a member of the public) may inspect the Register on payment of the relevant fee (currently €10) or request that a copy is sent to them.

Failure to maintain the Register, make the Register available for inspection or not providing a copy within 10 days of the date of request, is a Category 3 offence, which carries a penalty, on summary conviction, of up to 6 months imprisonment and/or a fine of up to €5,000 for the Company itself and any officer of it who is in default. It is the view of the CEA that providing access to the Register is not a breach of data protection law and therefore is not a legitimate basis on which to refuse access to the Register or provide copies of it.

In more general terms, the importance of the Registers of the Company and keeping them updated should be noted by all Directors'. For example, the Registers may need to be consulted in cases where an internal dispute may arise or a potential sale or merger of the business as the Registers will often form part of the due-diligence process instigated by potential purchasers. Registers that are not up to date can often result in significant and expensive delays whilst they are being updated or prepared from incorporation.

In addition to the Register of Members, a Company must also maintain the following;

- Register of Directors and Secretaries
- Register of Directors and Secretaries interest in shares
- Register of Beneficial Owners
- Register of Directors Service Contracts
- Register of Directors Interests in Contracts
- Register of Instruments creating charges



Additional registers, such as the Register of Transfers, Register of Allotments and Sealing Register are also kept although not legally required.

We can provide further details on request or if you have any additional Corporate Governance queries, we would love to hear from you.

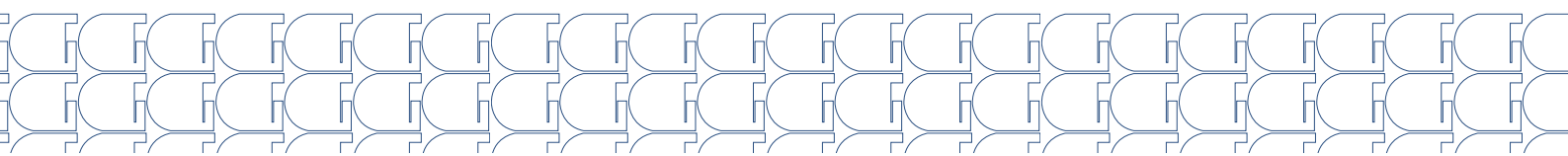
### 3. NEW COMPANY LAW REFORM PROPOSALS

The Department of Enterprise, Trade and Employment are expected to shortly launch a consultation on its proposed Companies (Corporate Governance, Enforcement and Regulatory Provisions) Bill, which will further enhance the Companies Act 2014.

The Consultation will seek views on the following:

- Removal of the automatic loss of audit exemption for late annual return filing for small and micro companies and replace with a two-step graduated procedure.
- To allow all companies with the permanent option to hold fully virtual general meetings.
- To extend certain reporting obligations to examiners and receivers.
- To enhance powers for the CEA, Companies Registration Office and the Irish Auditing and Accounting Supervisory Authority to strengthen the State's capability to meet the challenges faced in investigating and prosecuting alleged breaches of Company Law.

We will keep you advised of progress of the proposed new Bill in future editions.

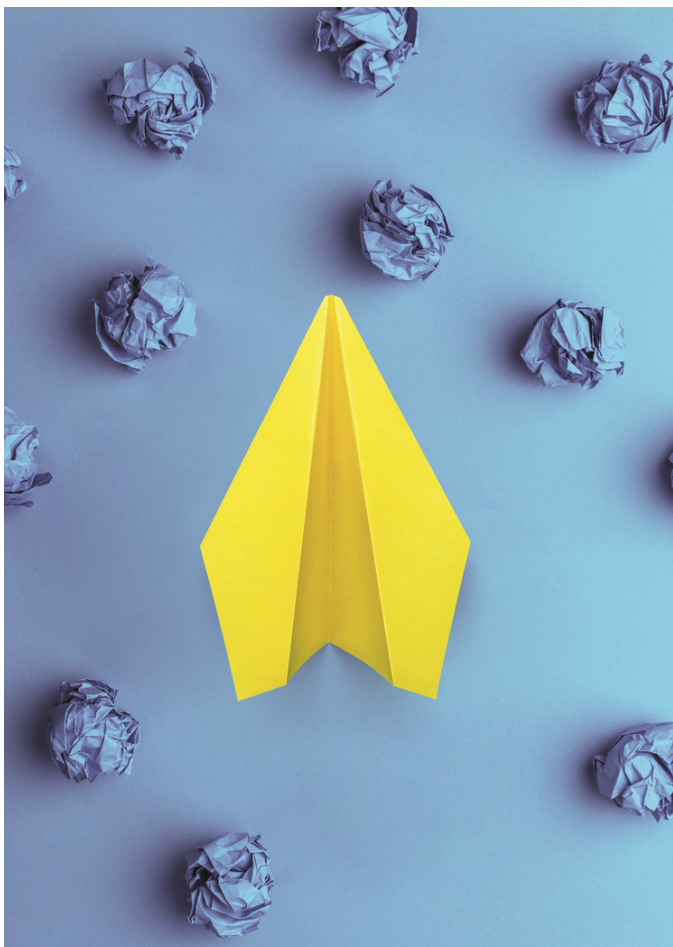


## About Gatal

Please contact us by email [admin@gatal.ie](mailto:admin@gatal.ie), via our website [www.gatal.ie](http://www.gatal.ie) or contact your usual Gatal or Moore contact in Cork or Dublin.

**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.



### Our Team

**Ned Murphy – Director**  
[admin@gatal.ie](mailto:admin@gatal.ie)

**Diarmuid O’Connell – Director**  
[admin@gatal.ie](mailto:admin@gatal.ie)

**David Martin – Senior Manager**  
[david.martin@gatal.ie](mailto:david.martin@gatal.ie)

Gatal Limited - Dublin  
3rd Floor, Ulysses House Foley Street  
Dublin 1 D01 W2T2  
T+353 1 8881004

[www.gatal.ie](http://www.gatal.ie)

Gatal Limited - Cork 83 South Mall  
Cork T12 Y15N  
T+353 21 4275176

[www.gatal.ie](http://www.gatal.ie)

