

The Companies Bill 2012 was signed into law by the President on the 23rd December 2014 and has been enacted as the Companies Act 2014. The New Companies Act 2014 is likely to commence in June 2015 and will replace the Companies Acts 1963-2013. This new Act will introduce new company models and the new law will affect all companies that are already on the register. Companies remain subject to the Companies Acts 1963-2013 until the new Act commences.

Things to know about the New Companies Act 2014:

- A Private Limited Company will become known as a Company Limited by Shares (LTD) and will be the principal type of company in Ireland.
- A company may be incorporated with a single director once a separate company secretary is appointed. Directors of a company must be 18 years or older.
- Director's duties have been codified. Directors and secretaries will have to make a statutory declaration to acknowledge they have legal duties.
- The holding of a physical AGM will be optional and can be removed once the shareholders agree.
- The Memorandum & Articles of Association will be replaced by one document 'Constitution' which will be provided by default (Unless a specific company constitution is requested).
- All existing private limited companies will be obliged to alter their legal form on enactment of the new legislation. There will be a choice between opting in to the new regime for the new private limited company and opting out by re-registering as a Designated Activity Company. A transition period of 18 months is provided for from the date on which the legislation is enacted.
- The Small & Medium Sized Company have changed and are defined as follows:
 - Small Company – Turnover <€8.8m, Balance Sheet Total <€4.4m, No of Employees <50
 - Medium Company – Turnover <€20m, Balance Sheet Total <€10m, No of Employees <250
- The Annual Return and Account filing requirements have not changed.

- Audit exemption will now be possible for holding/subsidiary companies once certain conditions are met. The audit exemption will extend to dormant companies, and will also be available in certain group situations.
- Under the New Companies Act 2014, if a creditor is owed over €10,000 and the sum remains unpaid for three weeks then an application can be made to the courts for the liquidation of the company.
- There is provision for a “summary approval procedure” to be used to authorise a number of otherwise restricted activities (e.g. loans to directors and connected persons, the giving of financial assistance, capital reductions, and commencement of members’ winding-up).
- The law relating to the strike off of companies will be changed and radically overhauled and a legal distinction between voluntary strike-off and involuntary strike-off will be created.
- The New Companies Act provides for four categories of offences on a scale of 1 to 4 (1 being the most serious), punishments for breaches of the law will be clearly stated, leading to greater transparency.

Should you require further details or clarification on any changes introduced by the new Companies Act 2014 please do not hesitate to contact us.