



January 2019

Further proposed amendments to the Companies Act 2014

In December 2018 the Government published draft legislation, the General Scheme of the Companies (Corporate Enforcement Authority) Bill 2018 (the **Scheme**) which, if enacted, would establish a new independent corporate law enforcement agency called the Corporate Enforcement Authority. In addition to this significant development in corporate enforcement the Scheme, which is discussed by our regulatory investigations unit [here](#), also looks to (i) implement a number of technical amendments to the Companies Act 2014 and (ii) require additional personal information of directors to be provided when making certain filings with the CRO.

The technical amendments to the Companies Act 2014 arise out of recommendations of the Company Law Review Group (**CLRG**) relating to Shares and Share Capital in the Companies Act 2014, and the CLRG's report on the Protection of Employees and Unsecured Creditors. These technical amendments include (i) the removal of the requirement for unlimited companies to have distributable reserves to redeem shares; (ii) restoring the abilities of companies to use their share premium account in the writing off of the company's preliminary expenses, or the expenses of, or commission paid on, any issue of shares; (iii) technical amendments which clarify the applicability of the provisions around three party share-for-undertaking transactions; and (iv) various other clarifications and amendments including amendments to the definition of distribution under Section 123.

The proposed changes with respect to collecting additional information on the identities of directors by the CRO is driven by the

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CRO's desire to reduce the duplication of director records that currently exists on the register. It is currently proposed that when an application is lodged with the CRO to incorporate a company, file and annual return or make any changes to the directors or secretary of the Company it will be obliged to include a PPSN for directors. If a director does not have a PPSN then they must provide a copy of the photo page of their passport.

Comment

The amendments proposed to the Companies Act 2014 are most welcome, providing welcome clarifications and resolving some previous anomalies and it is hoped that additional issues may also be addressed as the Scheme progresses. The aim of the CRO to clear up director records is to be welcomed but in an era of increased sensitivity around personal information we await to see whether the collection of PPSN (or copies of passports) will come to pass.

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