



107th Plenary Meeting of the Company Law Review Group

Date: Tuesday 25th March 2025

Time: 10am to 11.15am

Venue: Online (via 'Teams')

Minutes

Present

Paul Egan SC (Chair), Deirdre Ahern, Alan Carey, Barry Conway, Richard Curran, Deborah Dignam, Emma Doherty, Bernice Evoy, James Finn, David J Hegarty, Tanya Holly, Anne Fitzpatrick, Neil Keenan, Helena Keleher, Eamonn Kennedy, Gillian Leeson, Prof Irene Lynch Fannon, Kathryn Maybury, David McFadden, Susan Monaghan, Salvador Nash, Niamh Ryan, Gillian O'Shaughnessy, Eadaoin Rock, Doug Smith, Cathy Smith SC

In Attendance

Paul Thompson (Secretary), Dan O'Neill (Secretariat)

Apologies

Margaret Cullen, Ian Drennan, Kevin Prendergast, Maureen O'Sullivan

1. Welcome from the Chair

The Chairperson welcomed everyone to the meeting and noted apologies. He thanked Fiona O'Dea for her service on the Committee and welcomed her replacement, Helena Keleher.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the 106th Review Group meeting

The minutes of the 106th Plenary were approved with no amendments.

4. Draft Annual Report 2024 (for approval)

The 2024 Annual Report was approved subject to some minor amendments. It was agreed to forward the Report to the Minister.

5. Updates on EU and Irish company law legislation

Paul Thompson (Secretary of the CLRG) - updated the group on legislative developments in the Department:

National

The Companies (Corporate Governance, Enforcement and Regulatory Provisions) Bill 2024 – The Bill was signed by the President on 12th November 2024. A Commencement Order was

signed by Minister Burke on 20th November providing for a commencement date of 3 December, for 64 of the 90 sections of the Act. The remaining sections will be commenced in 2025.

General Scheme of Co-Operative Societies Bill – Drafting of the Bill is nearing completion by the Office of the Parliamentary Counsel, in consultation with officials in the Department, and it is expected that the Bill will be brought to Government before the summer recess.

General scheme of a registration of limited Partnerships and Business Names Bill (Formerly known as Limited Partnerships Act, 1907 and Registration of Business Names Act 1963) – Government approval for drafting of the Bill was received on 9 July 2024. The OPC appointed a drafter on 5th September 2024, drafting has commenced. The Bill was included in the new Government Legislation Programme, under “other legislation”.

EU

Cross Border Association Directive - Discussions on this proposal at EU working party, are currently stalled due to concerns that have arisen on a number of issues. There is currently no clarity on whether/ when this proposal will progress in its current form.

A proposal for a Directive on Corporate Sustainability Due Diligence (CSDD) - The Corporate Sustainability Due Diligence (CSDD) Directive was published in the Official Journal of the European Union on 5th July 2024 (DIRECTIVE (EU) 2024/1760) and came into force 20 days after the date of publication. Member States have two years to give effect to the Directive i.e. until 26th July 2026. Preparations have been ongoing since the publication of the CSDD Directive with a view to transposing the directive by July 2026.

The European Commission’s Work Programme for 2025 has proposed a series of so called ‘omnibus packages’ with the first ‘omnibus on sustainability’ published on 26 February 2025. The omnibus on sustainability has proposed that the transposition date of the CSDD Directive is extended to 26 July 2027. The Department will proceed on transposing the Directive with the amended transposition date if agreed at EU level.

Directive on Corporate Sustainability Reporting (CSR) - The Directive was successfully transposed into Irish law before the deadline of 6 July 2024. A minor clarifying amendment by way of statutory instrument was published to the Irish Statute Book in October.

A link to the recent amendment can be found on the DETE Website/Irish Statute Book.

An FAQ sheet may be found on the DETE website under FAQs Corporate Sustainability Reporting Regulations

The European Commission’s Omnibus Package published on the 26 February (referenced in the section above on the CSDD Directive) also made proposals in relation to the CSR Directive. The main proposal relates to the removal of approximately 80% of companies from the scope of the CSR Directive. They also made a proposal to ‘stop the clock’, which would postpone by two years the reporting requirements for companies currently in the scope of the CSR Directive and which are required to report for the first time in 2026 or 2027, in order to give certainty to companies while the substantive proposals are being agreed.

A proposal for a Directive on Upgrading Digital Company Law (UDCL) - The Directive was published in the Official Journal of the European Union on 10 January 2025 (Directive (EU) 2025/25) and came into force 20 days after the date of publication. Member States have until 31 July 2027 to transpose the Directive into national law. Preparations have begun on transposing the Directive by the July 2027 deadline.

A Proposal for a directive on Multi-Vote Share Structures - The Directive has been finalised at EU level and published in the official journal on the 14 Nov 2024. There is a two-year deadline after the entry into force of the Directive. Transposition is expected by the 4 December 2026. Some amendments to the CA are likely. The Unit responsible has commenced work on the transposition and intends to publish a public consultation in the coming months.

A proposal for a Directive harmonising certain aspects of insolvency law (Insol III) - A partial general approach on certain titles was agreed in December 2024. Given the political impetus behind the CMU, negotiations on this file continue to intensify as the Polish Presidency pushes to reach agreement on the remaining elements of the proposal before the end of its term.

IE's focus of engagement has been on ensuring that Insol III does not adversely effect our well-functioning insolvency systems, or the common law ethos and broader functioning of our courts system.

Unclaimed Considerations of Dissenting Shareholders of Traded PLCs – In 2022, the process set out in s459 of CA 2014 for dealing with the unclaimed considerations of dissenting shareholders of all companies except traded PLCs in a takeover, was amended. It is proposed that the reform made in 2022, be extended to traded PLCs by way of regulations pursuant to the European Communities Act 1972. Further work on this will continue this year.

On questions, the CLRG Secretary would revert on the status of the Gender Balance Bill. Tanya Holly clarified that it was for another Department to transpose the Bill. Salvador Nash explained what the main focus of the Digital Company Law directive was. Barry Conway asked if the DCL Directive might be circulated to the Group.

6. Committee Updates:

Insolvency Committee – Professor Irene Lynch Fannon outlined:

- The upcoming Insolvency Committee Meeting
- Title V of the proposed INSOL III Directive dealing with Directors' Duties was the main stumbling block as most of the other Titles were of no immediate substantive concern to members of the Committee, with the exception of Title VI proposing simplified liquidation procedures.
- Some elements of the Preventative Restructuring Directive would be reviewed.

Corporate Governance Committee – Salvador Nash highlighted the following areas for consideration:

- Financial statements post-receivership
- A Banking Federation letter received
- Director's Duties [Paul Egan noted that there was an upcoming seminar on Directors' Duties for which a link could be distributed].

Enforcement Committee – David J Hegarty, for Ian Drennan, noted:

- Terms of Reference were being prepared by the CLRG Secretary
- Section 747 would be discussed
- He was open to more people joining the committee

7. Matters arising from practice

CEA – David J Hegarty provided an update on issues arising in practice.

CRO - In the absence of Maureen O’Sullivan, Dr David McFadden (CRO) provided an update on issues arising in practice.

While the CRO are almost up to date it is worth noting that they have recently had a number of retirements and staff movements to other areas in the Department which has impacted New Companies section in the CRO. (This means that there are likely to be some delays over the coming weeks).

In relation to the limited involuntary strike off the Enforcement Unit has sent out approximately 297 warning letters and so far have dissolved approximately 139 companies.

In relation to the RBO, compliance is currently at 88.59% for companies and 74.76% for societies.

The RBO now has the option of involuntary strike off. The RBO have sent a list of companies to the CRO for involuntary strike off for failure to file.

The RBO continues to identify companies for prosecution. He added that of 141 letters sent out recently to companies regarding failure to file, 90 filed as a result of this communication.

8. AOB

- The Chair congratulated Cathy Smith on her appointment to the Employment Law Review Group, for which sub-committees were being set up.
- Dan O’Neill – CLRG Secretariat – thanked Gilian Leeson for facilitating a visit of Transition Year students to the Stock Market.
- Barry Conway raised the issue of execution of deeds, for which there was a recent court judgment. The matter is with DETE.

9. Date of next meeting – The next meeting would be held on the 10th June 2025.