

CORPORATE SECRETARIAL

COMPLIANCE AND CHANGES AT THE COMPANIES REGISTRATION OFFICE

An annual return (Form B1) is an electronic document setting out certain prescribed company information which is required to be delivered by an Irish company, whether trading or not, to the Companies Registration Office (CRO) at least once in every calendar year along with a set of financial statements or, where required, a Special Auditors Report.

For a number of years, if a Company failed to file its annual return or financial statements in a timely manner there were a number of repercussions with the most concerning being:

1. A late filing penalty of €100 with effect from the Annual Return Date (ARD), with an extra penalty of €3 per day accruing thereafter until filed - up to a maximum of €1,200 per return. (It has been confirmed by Revenue that late filing penalties are not tax deductible.)
2. Any entitlements to audit exemption are lost for the current financial year due to be filed as well as the following year.
3. A company may be struck off the register and dissolved after a year of non-compliance.

Due to consistent non-compliance and repeat offenders the CRO is beginning to increase the severity of its enforcement measures and it is more important than ever that companies stay informed and ensure compliance with filing requirements to avoid consequences such as these.

Some of the steps taken by the CRO to improve compliance levels to date have been:

- Providing less time for companies to file overdue annual returns before beginning strike-off proceedings.
- Issuing fines to companies that have been paying the highest amount of late filing penalties over a period of time.
- Requesting prosecution from the High Court against non-compliant officers resulting in them receiving disqualification orders following repeat offences.

WHAT IF YOUR FILINGS ARE NOT ACCURATE?

Under Section 898 of the Companies Act 2014, the Registrar is entitled, at his/her discretion, to issue a notice to a person delivering a document to the CRO that it has not completed appropriately and will return the document for correction with 14 days being given to make such amendments.

Due to heavy reliance on this discretion the Registrar has delivered a warning that it will no longer be issuing this notice in the following instances in order to ensure greater care is given during the filing process:

- Where the Annual Return is not correctly signed.
- Where Financial Statements have not been submitted correctly or on time.
- Where a person requests that the Registrar reject a submission for updating.

WHAT CAN BDO DO TO HELP?

BDO has a highly experienced team of company secretaries that liaise with the CRO on a daily basis and can provide an extensive service to our clients ensuring all needs are met.

Keeping clients informed of all upcoming filing deadlines is a priority. As registered agent we can provide an additional 28 days to file financial statements with the CRO. If required, we can alter the annual return date of a company to facilitate any strategic changes.

CRO is aiming to implement a paper free process for completing submissions and this has resulted in changes to procedures for

filing Annual Returns and Financial Statements to achieve its goals. Such changes include:

- Certain returns may only be submitted electronically e.g. Annual Return, Financial Statements, Change of Directors/ Secretaries, Change of Registered Office.
- Beginning from 1 June 2018 the CRO will no longer be accepting cheques as a form of payment.

These changes are a sign that the requirements for Irish companies are constantly evolving and BDO can provide a comprehensive suite of services to ensure all compliance needs of our clients are met and all CRO requirements satisfied.

For more details please contact any of the **BDO Corporate Secretarial Department Team** on **+353 1 470000** who will be pleased to assist you.



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