

## FREDS 46 to 48: Part 1 Explanation - ROI legal references

### Introduction to table of Republic of Ireland legal references

This table shows the provisions in the Companies Acts 1963 to 2009 and various Regulations which implement EC Accounting Directives, corresponding to the provisions of the UK Companies Act 2006 ('the 2006 Act') and the Schedules to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the 2008 Regulations') referred to in the [draft] FRS. The principal pieces of companies' legislation referred to in the table below are:

- The Companies Act, 1963 ('1963 Act');
- The Companies (Amendment) Act, 1983 ('1983 Act');
- The Companies (Amendment) Act, 1986 ('1986 Act');
- The European Communities (Companies: Group Accounts) Regulations, 1992 - SI 201 of 1992 ('Group Accounts Regulations 1992' or 'GAR 1992');
- The European Communities (Credit Institutions: Accounts) Regulations, 1992 - SI 294 of 1992 - ('Credit Institutions Regulations 1992' or 'CIR 1992');
- The European Communities (Insurance Undertakings: Accounts) Regulations, 1996 - SI 23 of 1996 - ('Insurance Undertakings Regulations 1996' or 'IUR 1996').

Other Irish legislation referenced in the table below is:

- The Building Societies Act, 1989
- The Credit Union Act, 1997
- The Central Bank Act, 1971

Where general references are made in the [draft] FRS to the 'Companies Act, 2006 ('and the Regulations)', the Companies Act', 'the Act', 'the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations, 2008' and 'the Regulations', for the Irish context, readers should refer to the relevant sections and paragraphs of the above Acts and Regulations. Such general references are not included in the table below.

### *Small companies under Irish law*

There is no equivalent to the *small companies regime* in Irish law. Section 8 of the Companies (Amendment) Act, 1986 (as amended by Regulation 4 of the European Communities (Accounts) Regulations, 1993 (S.I. No. 396 of 1993) defines small companies under Irish law, whilst Sections 10 and 12 provide certain exemptions for such companies in filing their financial statements with the Registrar of Companies. Under Section 8 the qualifying conditions for a company to be treated as a small company in respect of any financial year are as follows:

- (i) its balance sheet total for that year shall not exceed €1,904,607;
- (ii) the amount of its turnover for that year shall not exceed €3,809,214; and
- (iii) the average number of persons employed by the company in that year shall not exceed 50.

Except for companies in their first financial year, Section 8(1)(a) establishes that companies qualify to be treated as small if, in respect of that year and the financial year, immediately preceding that year, the company satisfies at least two of the above criteria. Section 9 establishes that where a company has qualified as small, it continues to be so qualified until it does not meet two of the above three criteria for two consecutive years. Similarly, where a company no longer qualifies as small, two consecutive years of meeting two of the three criteria are required to qualify again as small.

Entities subject to the European Communities (Credit Institutions: Accounts), Regulations, 1992 ('CIR 1992'), to the European Communities (Insurance Undertakings: Accounts) Regulations, 1996 ('IUR 1996') and private companies whose securities are admitted to trading on a regulated market do not qualify as small under Irish company law.

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### *Size exemptions from the preparation of group accounts under Irish law*

In Ireland, there is an exemption from the preparation of group accounts for medium sized groups under the European Communities (Companies: Group Accounts) Regulations, 1992. An Irish parent company within the scope of these Regulations is exempt from the requirement to prepare group accounts if it meets the size and other criteria set out in Regulation 7. The size criteria in summary require that the parent and subsidiaries together meet two of the following three conditions:

- (i) Balance sheet total does not exceed €7,618,428;
- (ii) Turnover does not exceed €15,236, 858; and
- (iii) Average number of employees does not exceed 250.

Exemptions from preparing consolidated financial statements on the basis of size are not available to parent entities subject to the European Communities (Credit Institutions: Accounts) Regulations, 1992 or the European Communities (Insurance Undertakings: Accounts) Regulations, 1996.

### *Other notes*

This table is intended as a reference guide to the corresponding or similar provisions in Irish company law and does not purport to be comprehensive. Readers should note that not all Irish provisions are exactly equivalent to the corresponding UK provisions and are advised to refer to the Irish legislation for an understanding of relevant legal points. Readers should also be aware that various sections, regulations and paragraphs referenced below have been amended by subsequent legislation and readers should ensure that they refer to such amended text where applicable.

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	UK References	ROI References					
Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1983 Act	1986 Act	GAR 1992	CIR 1992	IUR 1996
3.3 & footnote	Section 395(1)(a)	Section 148(2)(a)				Regulation 5(1)	Regulation 5(1)
3.3 & footnote	Section 395(1)(b)	Section 148(2)(b)				Regulation 5(1)	Regulation 5(1)
3.23(a) & footnote	Part IV permission; Section 40(4) of the Financial Services and Markets Act 2000	There is no equivalent legislation in Ireland to the Financial Services and Markets Act 2000. Banks in Ireland are licensed under Section 9 of the Central Bank Act, 1971.					
3.23(b)	Section 119(1) of the Building Societies Act 1986	Section 2(1) of the Building Societies Act, 1989					
3.23(e)	Industrial and Provident Societies Act 1965 & Credit Unions Act 1979	Credit Unions Act, 1997					
3.32	'Formats set out in the Regulations'			Part I of the Schedule	Regulation 15 (applying the Schedule to the 1986 Act) and Part 1 of the Schedule	Section B, Chapter I of Part I and paragraph 1 of Part II of the Schedule	Chapter 2 of Part I and paragraph 1 of Part IV of the Schedule
5.2	'small companies' regime'	There is no equivalent in Irish law to the <i>small companies regime</i> or to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008. Small companies are defined in Section 8 of the 1986 Act. Please refer to the note in the introduction above.					