

UK directors in Irish companies - No deal Brexit

The Companies Registration Office has advised that if the UK leaves the European Union without any deal in place on 29 March 2019, Irish companies which have only UK resident directors will be required to comply with Section 137 Companies Act 2014 to have an EEA-resident director.

S137 BOND

However, the requirement to have at least one EEA resident director from a Member State does not apply to any company which holds a bond, in the prescribed form, in force to the value of €25,000 and which provides that in the event of a failure by the company to pay the whole or part of a fine imposed on the company in respect of an offence under the Companies Act 2014 or under the Taxes Consolidation Act 1997, there shall become payable under the bond a sum of money for the purpose of same being applied in discharge of the whole or part of the company's liability in respect of any such fine or penalty.

The bond must have a minimum period of validity of two years, commencing no earlier than the occurrence of the event giving rise to the requirement for the bond. The surety under the bond is normally provided by an insurance company.

BOND ALTERNATIVE

If, following incorporation, a company applies for and is granted a certificate from the Registrar of Companies stating that the company has a real and continuous link with one or more economic activities that are carried on in the State, then that company will be exempted from the requirement to have at least one EEA resident director from the date of the certificate as long as the certificate remains in force.

Application for this certificate must be accompanied by a statement from the Revenue Commissioners made within two months of the date of the application by a statement that the Revenue Commissioners have reasonable grounds to believe that the company has such a link.

Call Aoife McSwiney today on [021 4310266](tel:0214310266) if you need further information.