



COMPANY SECRETARIAL AND CORPORATE GOVERNANCE

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# Disqualification of Directors of Dissolved Companies

by **lk-shields**

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The Director of Corporate Enforcement (the “Director”) recently has taken action against hundreds of directors of Irish companies that have been involuntarily struck off the register of companies for not complying with the annual return filing requirements. The Director is seeking to have directors of these companies formally disqualified under the Companies Act 2014.

The Director is entitled under Irish company law to seek a disqualification order by way of an application to the High Court against such directors. The effects of such an action, if successfully brought by the Director, will have significant consequences for the person disqualified on foot of the application has been brought against.

If a person is disqualified, they will be precluded from either being appointed or acting as a director or other officer, auditor, receiver, liquidator or examiner or being any way whether directly or indirectly concerned or take part in the management of a company while subject to the disqualification order. This is a far reaching disqualification order which could seriously hamper short term business opportunities for the person effected. You should also take note that a disqualified person will also bear the High Court costs which will also place a significant financial penalty of a case of this nature.

There has been some habit in the past when a company is no longer needed that it is simply left to it's own devices to be dissolved which can be a risky strategy to use considering the consequences of an action from the Office of the Director of Corporate Enforcement.

We at LK Shields would be happy to assist you with resolving this issue to ensure that you could continue to maximise business potential. Also if you were a director of a company was struck off involuntarily we may be able to help you to resolve this matter of non-compliance with company law rules in advance of an approach by the Director of Corporate Enforcement. If you would like any information on involuntary strike off, it's consequences and directors' disqualification and ways to rectify please contact us.

## About the Author