



COMPANY SECRETARIAL AND COMPLIANCE

---

# Companies (Statutory Audits) Bill 2017

by **Liam Boyle**

# Companies (Statutory Audits) Bill 2017

30th January 2018 | by Liam Boyle

The Companies (Statutory Audits) Bill (the “Bill”) was published on 6 November 2017. The purpose of the bill is to transpose discretionary elements of the EU Audit Directive 2014/56/EU. Once enacted, the bill will replace certain provisions within parts 6 and 15 of the Companies Act 2014 (the “Act”) which cover “Financial Statements, Annual Return and Audit” and “Functions of Registrar and Regulatory and Advisory Bodies” respectively.

Some of the proposed amendments confer additional powers of supervision and delegation to the Irish Auditing and Accounting Supervisory Authority (**IAASA**). This will include the power to impose additional requirements for the content of the audit report. Section 27 of the Bill provides that IAASA will be designated as the competent authority for the oversight of statutory auditors.

Section 9 and 10, dealing with audit exemptions, may be a cause for concern for small businesses in Ireland. In particular these Sections, once enacted, will have implications for a company should it fail to file its annual return on time with the Companies Registration Office. Section 343 of the Act currently allows a company to apply to the District Court for an extension of its annual return filing deadline. Provided that the Court is satisfied that it is just and equitable to do so, the deadline may be extended and the annual return will be deemed to be filed on time thus relieving the company of the consequences of late filing fees and the loss of audit exemption.

The Bill proposes to amend Section 343 of the Act to move the venue of such application from the District court to the High Court. Doing so will have the knock on effect of increasing the cost of such application and potentially putting them out of the reach of many small businesses. The power of the District Court will be to remove the costs associated with late filings only.

If a Company finds itself in an unavoidable situation whereby its annual return and financial statements will be filed late, the loss of audit exemption and the prohibitive costs of a High Court application could be detrimental.

If your company is behind with its statutory filings and you intend to avail of the Section 343 remedy, now and while the option of making an application to the District Court is still available, would be the time to act. LK Shields would be happy to assist you with such an application and to guide you through this process.

For more information please contact a member of the Company Secretarial Department.

## About the Author



**Liam Boyle**  
**Company Secretary**

Liam is a Company Secretary who has worked predominantly within the financial services industry in the areas of regulated funds and structured finance.

T: +353 1 6371584 E: [lboyle@lkshields.ie](mailto:lboyle@lkshields.ie)