



**BILLE NA gCUIDEACHTAÍ (FORÁLACHA
ILGHNÉITHEACHA) 2009**
COMPANIES (MISCELLANEOUS PROVISIONS) BILL 2009

EXPLANATORY AND FINANCIAL MEMORANDUM

Section 1 provides for the use on a transitional basis of US Generally Accepted Accounting Principles (GAAP) by certain parent undertakings, to the extent that the use of those principles in the preparation of the undertaking's accounts does not contravene any of the provisions of the Companies Acts or any regulations made thereunder.

This arrangement will be limited to a specified category of companies. These are parent companies incorporating in Ireland for the first time whose securities are not traded on a regulated market in the EEA, whose securities are registered with or who are subject to reporting to the US Securities and Exchange Commission (SEC) and who, on the date that this Bill passes into law, have not already incurred an obligation to file their first accounts with the Registrar of Companies.

The section also provides that this arrangement shall apply for a maximum of 4 financial years after the undertaking's incorporation in Ireland and it expires on 31st December, 2015 at the latest.

Section 2 gives the Minister the power to make regulations that may prescribe other specified internationally recognised accounting standards subject to specified criteria. Any such regulations will be laid before each House of the Oireachtas, as provided in the section.

Section 3 amends sections 7(3) and 13(1) of the Companies Act 1990, as amended by the Company Law Enforcement Act 2001, by removing the upper limit (i.e. the ceiling of €317,435) that applicants can be asked to contribute towards the costs of court investigations initiated on foot of their applications under section 7 of the 1990 Act.

The upper limit currently applies both to the security applicants can be asked to advance before the investigation commences (section 7(3)) and to the amount of the eventual costs of the investigation that the applicants would have to bear (section 13(1)). The removal of the upper limit would leave total discretion to the court in relation to the issue of costs, and would place section 7 applicants on the same general footing as other parties initiating court proceedings in that they can be held liable for the full costs if the court so decides.

Section 4 is standard drafting and simply contains the short title and the fact that the Act and the Companies Acts shall be read as one.

Financial Implications

Enforcement of compliance with sections 1 and 2 of this Act could give rise to some additional costs to the Exchequer.

Staffing Implications

It is not expected that this Act will give rise to additional staffing requirements.

*An Roinn Fiontar, Trádála, agus Fostaíochta.
Samhain, 2009.*