

OPENING REMARKS

I would like to thank you, Chairman and the Committee for the invitation to discuss the General Scheme of the Companies (Corporate Enforcement Authority) Bill. I am joined by my officials, Nina Brennan Principal Officer and Orla O'Brien Assistant Principal.

Background to the General Scheme

By way of background, this legislation was first proposed in the government's plan to Enhance Ireland's Corporate, Economic and Regulatory Framework published in 2017.

The General Scheme was developed by my Department and published in December 2018. Pre-legislative scrutiny commenced in early 2019 and was not completed before the dissolution of the last Dáil.

In the meantime, my Department worked with the Office of the Parliamentary Council on drafting the General Scheme in consultation with the Director. In parallel, planning for the ODCE's to transition to a standalone independent agency has progressed. This included an increased budget and staffing levels.

Main Provisions of the General Scheme

Firstly, the main purpose of the bill is to establish the new ‘Corporate Enforcement Authority’ and so enhance the framework for the conduct of business in Ireland under the Companies Act 2014.

By establishing the ODCE as an agency, it will be better equipped to investigate increasingly more complicated breaches of company law.

The new Authority will have more operational autonomy, particularly in terms of the ability to recruit specialist skills and expertise.

The structure is based on a Commission model with up to three Members. It is designed to give the Authority the flexibility to structure itself to meet the differing demands of its remit, which includes investigation, prosecution, supervision and advocacy.

This will allow the Authority to adapt if its workload expands significantly or if it needs to organise its work into discrete areas or functions.

In combination these organisational changes will enhance the capacity of the Authority to carry out multiple and complex investigations in parallel if the situation arises.

The General Scheme also provides that the Authority's functional independence is fully compatible with statutory oversight by Government and accountability to the House of the Oireachtas.

We need to give the new Agency the tools it needs to meet the challenges it faces in its investigation and prosecution of alleged breaches of company law.

The General Scheme provides that all existing functions and powers of the ODCE will be carried over to the new Authority.

As for the ODCE now, the new Authority will have the power to issue a range of warning directions or notices, the power to enter and search premises and take documents and other material, and the power to bring summary criminal prosecutions.

I will turn now to the other elements of the General Scheme. The Companies Act 2014 is kept under active review in the light of changing circumstances, for example court judgments or problems that arise from time to time.

The Company Law Review Group provides valuable expert advice and recommendations on the reform of company law in Ireland and the General Scheme implements recommendations of the Group on corporate governance; and shares and share capital.

The General Scheme also incorporates some additional provisions, such as –

- A new ground for the restriction of company directors;
- Measures with respect to the conduct of liquidations and oversight of liquidators; and
- Greater transparency when it comes to companies and the Register of Companies.

Finally, the General Scheme makes some miscellaneous amendments to the Companies Act 2014. These include technical provisions, such as replacing references to the Director in light of the new Authority being established.

Concluding Remarks

I will continue to consider any further powers that are identified as a requirement for the Corporate Enforcement Authority carrying out its functions in the ongoing development of legislation by my Department.

I wrote to the Chairman in December regarding the report of the Hamilton Review and its support for this legislation. Arising from that Review, an action plan will be developed and led by the Minister for Justice. My Department will be engaged in this work where relevant to my Department's remit.

To conclude, the Government is keen to progress this legislation. It is an important milestone for corporate enforcement in Ireland.

By establishing the Corporate Enforcement Authority as a stand-alone agency and providing for its autonomy, resources and enforcement powers we will strengthen Ireland's regulatory framework for the conduct of business now and into the future.

I look forward to hearing Members views and taking questions on the General Scheme.

Thank you.

Ends