



Directors' Compliance Statement - An overview

The Companies Act 2014 introduced new legislation in respect of a Directors' Compliance Statement that must be included as part of the Directors' Report.

What companies are affected?

The requirement to produce a compliance statement applies to directors of every public limited company ("PLC") together with every company limited by shares ("LTD"), designated activity company ("DAC") and guarantee company ("CLG") which has turnover for the year in excess of €25 million and a balance sheet total that exceeds €12.5 million.

The obligation to prepare a compliance statement does not apply to investment companies or to certain other companies that are subject to an exemption given by ministerial regulations.

What does the legislation mean?

The Directors' Report will now include a statement that acknowledges the directors' responsibilities for securing compliance with specified relevant obligations, and confirms that certain things have been done in that regard – or explains why such things haven't been done. This is a comply or explain provision where the directors must comply or explain why they have not complied with the legislation.

What are the company's relevant obligations?

"Relevant obligations" means certain obligations under the Companies Act 2014 and under tax legislation. Failure to meet them is a category 1 or category 2 offence, or a serious Market Abuse or serious Prospectus offence.

What does the Directors' Compliance Statement say?

The Directors' Compliance Statement in the Directors' Report states that the company has:

- Drawn up a compliance policy statement setting out the company's policies regarding compliance with relevant obligations, which the directors consider to be appropriate.
- Put appropriate arrangements or structures in place to secure material compliance with the company's relevant obligations.
- Conducted a review, during the period, of the arrangements and structures.

How can Crowe help?

Our Audit & Compliance team can:

- Work with you to help you understand your obligations.
- Help you assess the relevant obligations and how they apply to your business.
- Assist you in developing the appropriate structures and arrangements to ensure material compliance.
- Carry out a review of the company's compliance with relevant obligations.
- Assist with the drafting of policy statements.

To find out how we can assist your organisation, contact us:



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