

Minutes of the CRO Stakeholder Forum meeting.
Thursday 13th June 2019
Companies Registration Office, Bloom House.

Present:

CRO: Maureen O'Sullivan, Claire Crowley, Claudine Forrest, Gerry Doyle, Mark Donoghue (Sec)

Members: Linda Murray (Deloitte), Deirdre Mooney (William Fry), Emer Kelly (CPA), Conor Sweeney (CLS), Katherine Maybury (Komsec Ltd), John Olden (LSI), Dearbla Kelly (Maples Group), Leanne Fielding (William Fry), Ruairi Cosgrove (PWC), Andrew Lambe (Company Bureau), Salvador Nash (KPMG), John Hogan (Hogan.ie), Jenny McGowran (Simmons & Simmons), Patrick Butler (Philip Lee), Ronke Gbadebo (Grant Thornton), John Burns (ICSA), Cormac S Braonain, (Association of Compliance Officers in Ireland)

Apologies: Paul McHenry, Dermot Madden.

1. Minutes of the previous meeting.

The Registrar welcomed the group and enquired whether there were any observations in relation to the minutes of the previous meeting, there were none, so they were deemed agreed.

2. ICT Refresh Project.

The Registrar invited Claudine Forrest to address this item.

Claudine said that the new system is somewhat delayed as the “go live” for this project may be sometime around the summer of next year.

The CRO is going live next week with the “limited partnerships” database and searching this can be based on name and number showing all associated documents.

The delay in the launch of the main project is regretted, but when one considers the scope of the project and the fact that the much smaller RFS part of this project alone took over a year, this is not surprising.

The RBO project is currently absorbing large amounts of system development resources and must be our main focus, which has had the effect of pushing the refresh project out.

Claudine said that we originally built the RBO on our old system but that due to the delays in that project it has now been built entirely on our new system.

Deirdre Mooney (William Fry) enquired whether or not it would be possible to link the CRO system to the RBO system whereby if the Senior Management Officials are being entered on the RBO, that this could somehow automatically update when a Form B10 is filed with the CRO detailing a change of directors / director's details.

Claudine said the systems did share the same fundamental architecture, but they were based on entirely separate and unrelated registers, mainly because of both technical and legislative reasons as the CRO is based on Companies Act Legislation and the RBO is based on Money-Laundering legislation.

This point was acknowledged but Salvador Nash (KPMG) said that he felt that the feedback from the Fora was that legislation could be changed to allow the two databases to be linked and that the CRO could drive this change.

Kathryn Maybury on behalf of the SFA noted that at this early stage there was confusion as to how the precise nature and implementation of the project could be worked practically.

A process map should deal with the various concerns raised at the meeting and requested it to be circulated as soon as possible to all CRO link members.

The Registrar said that this matter has been the subject of some debate over the years, but this was the current position. It is noted that whilst Companies data is largely exempt from Data Protection legislation as it was public, and although some RBO data will also be available to the public, other data filed with the RBO will be withheld and is subject to the full rigours of the GDPR.

The Fora then had a general discussion about the difficulties they had experienced in the operation of the software packages they use when filing into the CRO, the difficulty in obtaining software updates and the requirement for a clear explanation of how the software packages will link with the CRO on-line software CORE when the new system is in place. There was some discussion about the question of pre-populating forms and version history. Salvador Nash (KPMG) said that there was a requirement for an accurate “process map” to explain how these relatively complex systems work together and it should be shared with the members of the Fora and the software vendors for all parties to get a level of system clarity. This is felt to be the most practical way to get these concerns addressed before a new system is adopted and may serve to clarify the several technical issues raised in this meeting. This was agreed, and Claudine undertook to examine all the matters that had been discussed and to set up a meeting in the Autumn, after the September forum, to progress matters.

This concluded Claudine’s update and the Registrar thanked her.

3. Legislative developments.

The Registrar addressed this item reminding the group that they had discussed the [Companies Amendments Act](#) previously which is the “56 day” one-step filing process for Annual Returns which cannot come into effect until we have completed the IT system refresh project, as the current system only permits one upload at a time.

This legislation was expressly designed to dovetail into the new IT system and is intended to be commenced in tandem with it.

We do anticipate providing an appropriate “lead in” time to assist in its seamless uptake. Our old system was quite limited in the types of uploads it supported, the new system has inbuilt support for all form types including multiple attachments in the case of the B1.

Discussion then turned to the [Companies \(Corporate Enforcement Authority Bill\)](#) which was approved by Government and published in December which pre-dated our last meeting. The main features of this bill are measures intended to enhance the corporate, economic and regulatory framework in Ireland, and this will also provide for PPS numbers for Directors. This is currently with the Joint Oireachtas Committee on Business, Enterprise and Innovation for pre-legislative scrutiny.

4. Assistant Registrars updates.

In the absence of Paul McHenry, the Registrar updated the group on our Prosecutions position. We have had 53 prosecutions since January of which 22 had fines imposed, 20 were adjourned, 2 were struck-out and 5 got the Probation Act with 3 taken into consideration.

There were total fines of seventeen thousand euro imposed in those cases and our next court date is 24th June in which we have 9 new and 8 adjourned cases to be dealt with on that day. These cases were all brought for companies who had failed to file their annual returns.

The registrar then invited Claire Crowley to provide the update from the CRO office in Carlow.

Claire said that they were slightly behind on processing with e-B1s 9 days behind on receiving, this was a local resource issue and is being addressed and it is anticipated that they will get back up to date within a couple of weeks, this concluded the Assistant Registrars update.

5. Beneficial Ownership update.

The Registrar dealt with this item saying that the Register is due to “go-live” on 22nd June 2019 which is Saturday week but there is still an outstanding issue involving verifying the identity of people who do not have PPS numbers.

It would be possible to ask them to obtain a PPS number but as a lot of the people involved do not live in Ireland such a requirement could be onerous. We are exploring other alternatives to try and find something which would not be so onerous but would meet the threshold of verifying the identity of beneficial owners who don't have a PPSN.

The Registrar anticipated that this issue will be resolved before the 22nd June. If it is not resolved before that date, we will obviously take that into account at the end of the time in which you are required to file a return. The Fora members will be notified when a conclusion to this issue has been reached.

Deirdre Mooney (William Fry) said that she had concerns about requesting the PPS or passport numbers from her clients especially given the risks typically associated with data possession and retention and that on behalf of ICOSA members she would like it noted on the minutes that these concerns were appropriately raised at this meeting.

Kathryn Maybury on behalf of the SFA requested that in the event there was a technical issue at the Central Registry preventing companies from filing information on individuals without an Irish PPSN from the proposed implementation date of 22.06.2019 the Registrar request the Department of Finance to extend the deadline of 22.11.2019. In her opinion it was not appropriate that companies wanting to comply with the legislation could end up being in breach of legislation through no fault of their own.

The Registrar replied saying that the PPSN data will be stored in hashed form only and will not be accessible to anybody, including RBO staff and competent authorities. Some further discussion then took place amongst the Fora concerning this item.

The Registrar went on to say that the Company's Annual Report has “noted” by Government and it is expected to be on our [website](#) shortly and the RFS annual report is going to Government next week and should be published a week or so after that

Jenny McGowran (Simmons & Simmons) mentioned that she had sent a series of questions to the Registrar in advance of this meeting and they were then answered as follows:

(Q1) In some cases, daily dealing will take place on the investment entities, whereby the beneficial owners will change on a daily basis. If this occurs, is the expectation that a filing will be made for each daily change that occurs?

(A1) If the daily dealing company is listed on a regulated market that is subject to disclosure requirements consistent with Union law etc, they are not obliged to file with the Register of Beneficial Ownership.

(Q2) In some cases daily dealing will take place on the investment entities, whereby the beneficial owners will change daily. If this occurs, is the expectation that a filing will be made for each daily change that occurs?

(A2) This matter is being referred to the Department of Finance. Strictly speaking the Regulations require that you notify all the changes to the Registrar within 14 days.

(Q3) In cases where there is no beneficial owner of an entity, we understand that “one or more senior managing officials” should be included on the entity’s beneficial ownership register. Can you please confirm in cases like this that all Directors of an entity should be included or if the Board can choose to nominate one or more Board members?

(A3) The Regulations define a senior managing official to include a Director and a Chief Executive Officer, so a company should seek its own legal opinion on this point.

(Q4) As referenced at the recent ICOSA conference in May 2019, and with respect to the provisions in the Social Welfare Consolidation Act 2005, the Social Welfare and Pensions Act 2007 and the Social Welfare and Pensions Act 2010, is it permissible to request PPS numbers for individuals to be included on an entity’s beneficial ownership, and subsequently submit these details to the RBO? Is there specific legislation or guidance that can be referred to should an individual or nominated individual on someone else’s behalf raise this query?

(A4) Yes, this is permissible because it is a transaction with a body that is entitled to use the PPS number, and you are collecting it for onward transmission to the RBO. It should be noted that the SI does not require relevant entities to include the PPSN in their own internal register and it should not be available for inspection by third parties.

(Q5) Are you aware if there any updates available with respect to the RBO for ICAV’s? Do you have point of contact that you are dealing with in the Central Bank that could be contacted in this respect?

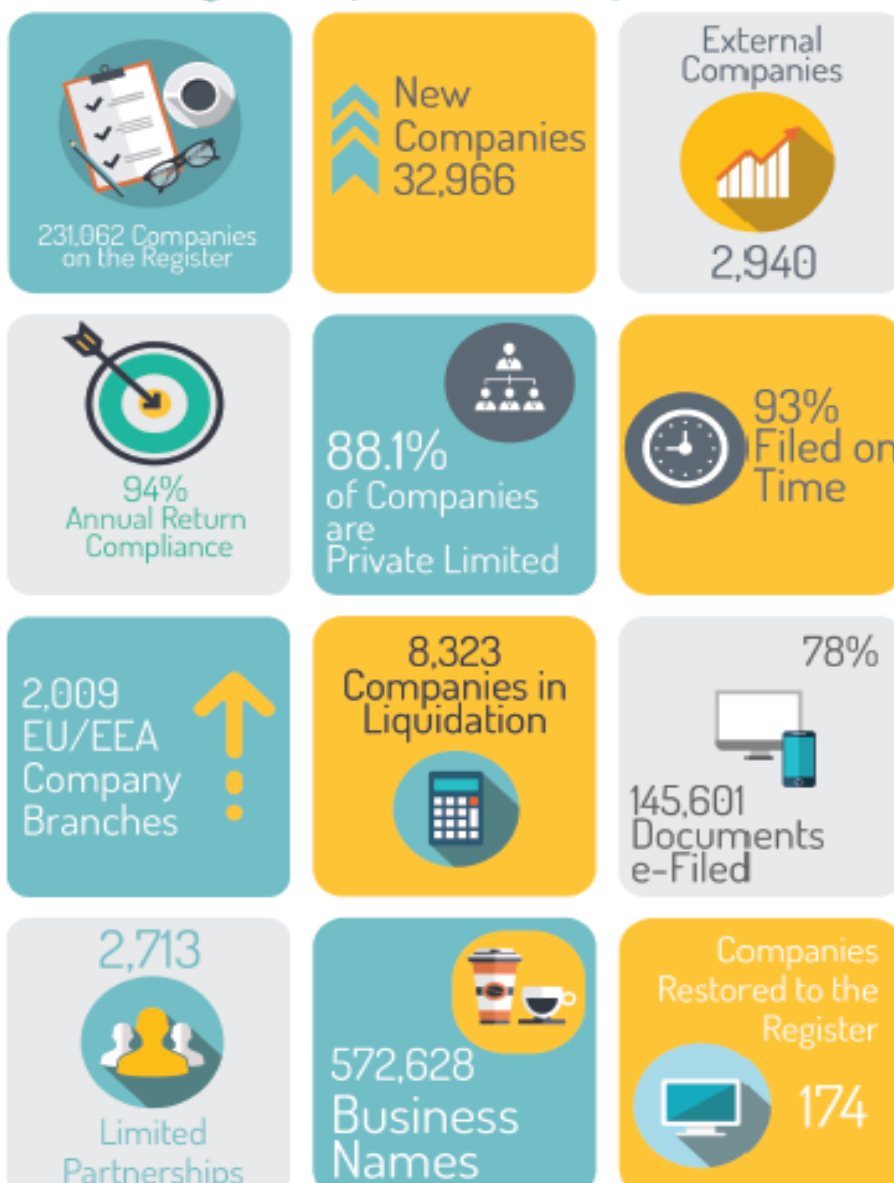
(A5) The ICAV’s will not figure in the RBO register. If you require clarification on this matter, it should be raised with the Department of Finance and the e-mail address to use is aml@finance.gov.ie

6. Date of next meeting.

The second week in September 2019 is proposed for the next meeting to take place and these details will be confirmed well in advance of that date.

Dashboard Statistics CRO

Figures up to 31st. May. 2019



8. AOB.

Ruairi Cosgrave (PWC) raised an issue about audit reports being rejected where they were signed by a firm. Conor Sweeney (CLS) expressed concern about the length of time it is taking to register B10s and the need for clarity around dates on SAP forms. These matters are to be examined by the CRO.

There was nothing further to be addressed under AOB, so the Registrar thanked everyone for attending and then concluded the meeting.

Mark Donoghue

Secretary CRO Forum

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13th June 2019