

FRED 46: Application of Financial Reporting Requirements - ROI legal references

Introduction to table of Republic of Ireland legal references

This table shows the provisions in the Companies Acts 1963 to 2009 and various Regulations which implement EC Accounting Directives, corresponding to the provisions of the UK Companies Act 2006 ('the 2006 Act') and the Schedules to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the 2008 Regulations') referred to in the [draft] FRS. The principal pieces of companies' legislation referred to in the table below are:

- The Companies Act, 1963 ('1963 Act');
- The Companies (Amendment) Act, 1986 ('1986 Act');
- The Companies Act, 1990 ('1990 Act');
- The European Communities (Companies: Group Accounts) Regulations, 1992 - SI 201 of 1992 ('Group Accounts Regulations 1992' or 'GAR 1992');
- The European Communities (Credit Institutions: Accounts) Regulations, 1992 - SI 294 of 1992 - ('Credit Institutions Regulations 1992' or 'CIR 1992');
- The European Communities (Insurance Undertakings: Accounts) Regulations, 1996 - SI 23 of 1996 - ('Insurance Undertakings Regulations 1996' or 'IUR 1996');
- European Communities (Directive 2006/46/EC) Regulations, 2009 – SI 450 of 2009.

Other pieces of Irish legislation referenced in the table below are:

- The Building Societies Act, 1989;
- The Credit Union Act, 1997;
- The Central Bank Act, 1971;
- The Charities Act, 2009;
- The Industrial and Provident Societies (Amendment) Act, 1978;
- Friendly Societies (Amendment) Act, 1977;
- Friendly Societies Regulations, 1988;
- The Pensions Act, 1990;
- The Occupational Pension Schemes (Disclosure of Information) Regulations, 2006.

Where general references are made in the [draft FRS] to the 'Companies Act 2006 ('and the Regulations)', the Companies Act', 'the Act', 'the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations, 2008' and 'the Regulations', for the Irish context, readers should refer to the relevant sections and paragraphs of the above Acts and Regulations. Such general references are not included in the table below.

Small companies under Irish law

There is no equivalent to the *small companies regime* in Irish law. Section 8 of the Companies (Amendment) Act, 1986 (as amended by Regulation 4 of the European Communities (Accounts) Regulations, 1993 (S.I. No. 396 of 1993) defines small companies under Irish law, whilst Sections 10 and 12 provide certain exemptions for such companies in filing their financial statements with the Registrar of Companies. Under Section 8 the qualifying conditions for a company to be treated as a small company in respect of any financial year are as follows:

- (i) its balance sheet total for that year shall not exceed €1,904,607;
- (ii) the amount of its turnover for that year shall not exceed €3,809,214; and
- (iii) the average number of persons employed by the company in that year shall not exceed 50.

Except for companies in their first financial year, Section 8(1)(a) establishes that companies qualify to be treated as small if, in respect of that year and the financial year, immediately preceding that year, the company satisfies at least two of the above criteria. Section 9 establishes that where a company has qualified as small, it continues to be so qualified until it does not meet two of the above three criteria for

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two consecutive years. Similarly, where a company no longer qualifies as small, two consecutive years of meeting two of the three criteria are required to qualify again as small.

Entities subject to the European Communities (Credit Institutions: Accounts) Regulations, 1992 ('CIR 1992'), to the European Communities (Insurance Undertakings: Accounts) Regulations, 1996 ('IUR 1996') and private companies whose securities are admitted to trading on a regulated market do not qualify as small under Irish company law.

Size exemptions from the preparation of group accounts under Irish law

In Ireland, there is an exemption from the preparation of group accounts for medium sized groups under The European Communities (Companies: Group Accounts) Regulations, 1992. An Irish parent company within the scope of these Regulations is exempt from the requirement to prepare group accounts if it meets the size and other criteria set out in Regulation 7. The size criteria in summary require that the parent and subsidiaries together meet two of the following three conditions:

- (i) Balance sheet total does not exceed €7,618,428;
- (ii) Turnover does not exceed €15,236, 858; and
- (iii) Average number of employees does not exceed 250.

Exemptions from preparing consolidated financial statements on the basis of size are not available to parent entities subject to the European Communities (Credit Institutions: Accounts) Regulations, 1992 or the European Communities (Insurance Undertakings: Accounts) Regulations, 1996.

Other notes

This table is intended as a reference guide to the corresponding or similar provisions in Irish company law and does not purport to be comprehensive. Readers should note that not all Irish provisions are exactly equivalent to the corresponding UK provisions and are advised to refer to the Irish legislation for an understanding of relevant legal points. Readers should also be aware that various sections, regulations and paragraphs referenced below have been amended by subsequent legislation and readers should ensure that they refer to such amended text where applicable.

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	UK References	ROI References					
Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996

SUMMARY

9	‘smaller entities as defined by Companies Act 2006’	There is no equivalent in Irish law to the <i>small companies regime</i> or to the Small Companies and Groups (Accounts and Directors’ Report) Regulations 2008. Small companies are defined in Section 8 of the 1986 Act. Please refer to the note in the introduction above.					
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5 & Footnote	Part IV permission; Section 40(4) of the Financial Services and Markets Act 2000	There is no equivalent legislation in Ireland to the Financial Services and Markets Act 2000. Banks in Ireland are licensed under Section 9 of the Central Bank Act, 1971.					
5	Section 119(1) of the Building Societies Act 1986	Section 2(1) of the Building Societies Act 1989					
5	Industrial and Provident Societies Act 1965 & Credit Unions Act 1979	Credit Union Act 1997					
7(b) (Footnote)	Section 395(2)	There is no direct equivalent to Section 395(2), though Section 148(3) of the 1963 Act does require ‘Companies Act Individual Accounts’ from certain categories of entities, including those “ <i>not trading for the acquisition of gain by members</i> ”.					
7(b) (Footnote)	Section 395(1)(a)	Section 148(2)(a)				Regulation 5(1)	Regulation 5(1)
7(b) (Footnote) / 17	Section 395(1)(b)	Section 148(2)(b)				Regulation 5(1)	Regulation 5(1)

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996

APPLICATION GUIDANCE 1

AG1/AG4/AG5/AG6/AG9	Section 401				Regulation 9A	Regulation 8A	Regulation 12A
AG1	Section 401(2)				Regulation 9A(3)	Regulation 8A(3)	Regulation 12A(3)

APPENDIX 1: GLOSSARY

A1.1 & Footnote	Part IV permission; Section 40(4) of the Financial Services and Markets Act 2000	There is no equivalent legislation in Ireland to the Financial Services and Markets Act 2000. Banks in Ireland are licensed under Section 9 of the Central Bank Act, 1971.					
A1.1	Section 119(1) of the Building Societies Act 1986	Section 2(1) of the Building Societies Act 1989					
A1.1	Industrial and Provident Societies Act 1965 & Credit Unions Act 1979	Credit Unions Act 1997					
A1.2	'The term 'individual accounts' from the Act...'	Sections 148 and 149					

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996

APPENDIX II: NOTE ON LEGAL REQUIREMENTS

A2.6	'Part 15 of the Act and with the Regulations'	Sections 148, 149, 150, 150A, 150C, 151, 152, and 153	Sections 3 to 6 & the Schedule		Regulations 5 to 35 & the Schedule	Regulations 5(1), 5(1A), 7, 8, 8A, 9 and 10 & the Schedule	Regulations 5(1), 5(1A), 6, 7, 8, 10, 12, 12A and 13 & the Schedule
A2.7	Sections 381-384	There is no equivalent in Irish law to the <i>small companies regime</i> or to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008. Small companies are defined in Section 8 of the 1986 Act. Please refer to the note in the introduction above.					
A2.9	Section 384	As noted above, there is no <i>small companies regime</i> in Irish law. Section 2 of the 1986 Act indicates which companies cannot qualify as small under Section 8 of the 1986 Act and cannot, therefore, avail of the exemptions under Sections 10 and 12. Such companies cannot apply the FRSSE in preparing their financial statements.					
A2.9 & footnote	Part IV of the FSMA 2000 (companies excluded from the <i>small companies regime</i>)	There is no equivalent legislation in Ireland to the Financial Services and Markets Act 2000. There is also no equivalent in Irish law to the <i>small companies regime</i> or to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008. Small companies are defined in Section 8 of the 1986 Act. Please refer to the note in the introduction above.					
A2.11	Section 383	No equivalent Irish provision specifically dealing with the criteria for a small parent company or a definition of small groups.					
A2.11	Schedule 6 of the Small companies and Groups (Accounts and Directors' Report) Regulations 2008	There is no equivalent in Irish law to the <i>small companies regime</i> or to the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008. Small companies are defined in Section 8 of the 1986 Act. Please refer to the note in the introduction above.					
A.2.12	Sections 395(2) and 403(3)	There are no direct equivalents to Section 395(2) and 403(3), though Sections 148(3) and 150(4) respectively of the 1963 Act do require Companies Act Individual and Group Accounts from certain types of entities, including those " <i>not trading for the acquisition of gain by members</i> ".					
A2.13	Sections 395 and 403	Sections 148 and 150					

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996
A2.14	Section 407	Section 150C					
A2.16	Entities preparing IAS accounts voluntarily <ul style="list-style-type: none"> only need to apply certain sections of the Act as it relates to financial reporting; and are not required with Schedules 1 and 6 (companies and groups) or 2 or 3 (for bank and insurance companies) . 	Companies that opt to prepare ‘IFRS accounts’ in accordance with Sections 149 (individual accounts) and 150 (group accounts) of the 1963 Act, do not have to comply with the detailed accounting requirements of the Companies Acts 1963-2009 (and related Regulations), save for certain disclosures as detailed in Section 149(A)(1)(b) and Section 150B(2) of the 1963 Act. Regulations 5(1B) and 7(5) of the CIR 1992 require the disclosures for the IFRS accounts of credit institutions and regulations 5(1B) and 10(5) of the IUR 1996 require the disclosures for the IFRS accounts of insurance undertakings					
A2.16	Schedules 4,5, 7 and 8 are still applicable to ‘IAS accounts’	Please note the references to these Schedules below. Readers should refer to Sections 149(a)(1)(b) and 150B(2) of the 1963 Act as the additional disclosure requirements for IFRS accounts in UK and Irish law are not the same in all cases.					
	Schedule 4 (application to IAS accounts)		Section 16 and 16A		Paragraphs 18 to 22 of Part 2 of the Schedule	Regulation 10 & Part III of the Schedule	Paragraphs 32-36 of Part IV of the Schedule
	Schedule 5 (application to IAS accounts)	Section 191	Paragraph 39(6) of Part IV of the Schedule		Paragraph 16 of Part 2 of the Schedule	Paragraph 74(4) of Part I and paragraph 1 of Part II of the Schedule	Paragraph 21(e) of Part III and paragraph 1 of Part IV of the Schedule

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996
	Schedule 7	Sections 158	Sections 13 and 14	Section 63	Regulation 37	Regulations 11 and 11A	Regulations 14 and 14A
	Schedule 8	Section 191 of the 1963 Act sets out the disclosure requirements with regard to directors' salaries and payments. There are no specific requirements with regard to the disclosure of directors' remuneration for quoted companies in Irish law. However, the Listing Rules of the Irish Stock Exchange contain further requirements in this regard.					
A2.17	Various sections of Part 15 and 16 of the Act applying certain financial reporting requirements to 'IAS accounts'	Companies that opt to prepare 'IFRS accounts' in accordance with Sections 149 (individual accounts) and 150 (group accounts) of the 1963 Act, do not have to comply with the detailed accounting requirements of the Companies Acts 1963-2009 (and related Regulations), save for certain disclosures as detailed in Section 149(A)(1)(b) and Section 150B(2). Regulations 5(1B) and 7(5) of the CIR 1992 require the disclosures for the IFRS accounts of credit institutions and regulations 5(1B) and 10(5) of the IUR 1996 require the disclosures for the IFRS accounts of insurance undertakings.					
A2.17	Section 410A	Sections 149A(1)(b)(xii) and 150B(2)(l) applying Section 7(1)(a) of SI 450 of 2009	Paragraph 36A of Part IV of the Schedule, (pursuant to Section 149A(1)(b)(xii) of the 1963 Act)			Regulation 5(1B)(l) applying paragraph 66A of Part I of the Schedule & Regulation 7(5)(l) applying Section 7A(2)(a) of Part II of the Schedule	Regulation 5(1B)(k) applying paragraph 19A of Part III of the Schedule & Regulation 10(5)(k) applying paragraph 37(a) of Part IV, of the Schedule
A2.17	Section 411	Section 149A(1)(b)(ix) and Section 150B(2)(e)	Paragraph 42 of Part IV of the Schedule, (pursuant to Section 149A(1)(b)(ix) of the 1963 Act)		Paragraph 15 of Part 2 of the Schedule (pursuant to Section 150B(2)(e) of the 1963 Act)	Regulations 5(1B)(e) and 7(5)(e) applying paragraph 77 of Part I of the Schedule	Regulation 5(1B)(e) applying paragraph 27 of Part III of the Schedule & Regulation 10(5)(e) applying paragraph 29 of Part IV of the Schedule

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996
A2.17	Section 412	Sections 149A(1)(b)(i) and 150B(2)(a) applying Section 191	Paragraph 39(6) of Part IV of the Schedule (pursuant to Section 149A(1)(b)(i) of the 1963 Act)		Paragraph 16 of Part 2 of the Schedule (pursuant to Section 150(2)(a) of the 1963 Act)	Regulation 5(1B)(a) applying paragraph 74(4) of Part I of the Schedule & Regulation 7(5)(a) applying paragraph 4 of Part IV of the Schedule	Regulation 5(1B)(a) applying paragraph 21(e) of Part III of the Schedule & Regulation 10(5)(a) applying paragraph 30(1) of Part IV of the Schedule
A2.17	Section 413			Sections 41 to 43			
A2.17	Sections 415-419	Section 158	Sections 13 and 14	Section 63	Regulation 37	Regulations 11 and 11A	Regulations 14 and 14A
		Sections 26 and 46 of the Electoral Act 1997 also require disclosure in the directors' report regarding political donations.					
A2.17	Sections 420-421	Section 191 of the 1963 Act sets out the disclosure requirements with regard to directors' salaries and payments. There are no specific requirements with regard to the disclosure of directors' remuneration for quoted companies in Irish law. However, the Listing Rules of the Irish Stock Exchange contain further requirements in this regard.					
A2.17	Section 494	Section 161D					
A2.19	Building Societies Act 1986	Building Societies Act 1989, Section 2(1)					
A2.19	Charities Act 1993 (as amended by the Charities Act 2006) and regulations made thereunder	Section 48 of the Charities Act, 2009 provides that all charities are to prepare an annual statement of accounts, the form and content of which can be prescribed by regulations of the Minister. Section 48 is, as of the date of publication of this (draft) FRS, not commenced and no regulations regarding the form and content of charities' annual statements of accounts have been produced. Charity companies are required to prepare financial statements in accordance with the Companies Acts. Sections 148(3) and 150(4) of the 1963 Act requires that companies " <i>not trading for the acquisition of gain by the members</i> " must prepare Companies Act Accounts (i.e. not IFRS Accounts) and this definition may apply to many Irish charity companies.					

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Paragraph	2006 Act and the 2008 Regulations (unless otherwise stated)	1963 Act	1986 Act	1990 Act	GAR 1992	CIR 1992	IUR 1996
A2.19	Friendly and Industrial and Provident Societies Act 1968	Section 30 of part IV of the Industrial and Provident Societies (Amendment) Act, 1978; Regulation 4 of the Friendly Societies Regulation 1988, pursuant to Section 3 of the Friendly Societies (Amendment) Act 1977					
A2.19	The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996	Section 56 of the Pensions Act 1990; Regulation 5 and paragraphs 1 and 2(a)(ii) of Schedule A of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006					