



An Roinn Post, Fiontar agus Nuálaíochta
Department of Jobs, Enterprise and Innovation

Companies Report 2013

Presented to the Oireachtas in accordance with
the provisions of the Companies Acts 1963 to 2013

FOREWORD

I am pleased to present the Annual Companies Report for 2013, which describes in summary the principal changes made to, and other developments under, the companies' legislative framework during the year.

The Companies (Miscellaneous Provisions) Act 2013, was signed into law on 24 December, and, as the name suggests, made amendments to various unrelated elements of the Companies Acts, in addition to amendments to the Bankruptcy Act 1988 and the Personal Insolvency Act 2012. The main initiative in the Act was the amendment of the examinership provisions for small private companies. This will allow such companies to apply directly to the Circuit Court to have an examiner appointed instead of having to apply to the High Court first. This will lower costs and provide greater accessibility for small private companies to the examinership process by eliminating the need for High Court involvement. The amendment reflects the priority the Government attaches to supporting enterprise and job creation. The measure is due to be commenced in July 2014, following the completion of procedural issues regarding the new Rules of Court to apply in the Circuit Court.

The Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Bill 2013 was published in July 2013. The closure of the registration of new societies under the Friendly Societies Acts will facilitate the allocation of prudential supervision of certain friendly societies to the Central Bank and also recognizes the fact that the 19th century friendly society model is no longer an appropriate model for 21st century organisations. The amendments in the area of industrial and provident societies are aimed at easing the regulatory burden on co-operative societies and making examinership, currently available only to companies, accessible to co-operative societies.

The largest substantive Bill in the history of the State, the Companies Bill 2012, commenced its passage through the Oireachtas in April 2013. When the Bill is enacted into law, it will consolidate the existing 17 Companies Acts, 1963 to 2013, into one Act. It also introduces a number of reforms, which are designed to make it easier to operate a company in Ireland. It is anticipated that the Companies Bill will be enacted by the end of 2014.

Details of the activities of the ODCE, CRO and IAASA during 2013 are found in their annual reports and websites, which are referenced in this Report.

Richard Bruton T.D.
Minister for Jobs, Enterprise and Innovation

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Chapter 1 - Legislative Developments

Legislation brought into effect in 2013

European Communities (Statutory Audits) (Directive 2006/43/EC) (Amendment) Regulations 2013, S.I. No. 67 of 2013

These Regulations give further effect to Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 and of Commission Decision 2011/30/EU of 19 January 2011.

These Regulations amend—

- (i) Regulation 113(1) of SI 220 of 2010 regarding registration in the State of a third country auditor and audit entity, and
- (ii) Regulation 118(1) of SI 220 of 2010 in relation to the fee charged for such registrations.

These amendments provide for the annual registration and payment of a fee at Regulation 113(1) and 118(1) respectively of SI 220 of 2010.

These Regulations were signed into law on 22 February, 2013.

European Communities (Statutory Audits) (Directive 2006/43/EC) (Amendment) (No. 2) Regulations 2013, S.I. No. 174 of 2013

These Regulations give further effect to Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006. These Regulations amend Regulations 16, 25 and 64 of European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 in order to ensure that a person approved to act as a statutory auditor will be subject to the regulation of a recognised accountancy body.

These Regulations were signed into law on 14 May, 2013.

European Communities (Mergers and Divisions of Companies) (Amendment) Regulations 2013, S.I. No. 399 of 2013

These Regulations, together with the European Communities (Mergers and Divisions of Companies) (Amendment) Regulations 2011, S.I. No. 306 of 2011, give effect to Directive 2009/109/EC of the European Parliament and of the Council of 16 September 2009.

Directive 2009/109/EC amends Council Directives 77/91/EEC, 78/855/EEC and 82/891/EEC, and Directive 2005/56/EC as regards reporting and documentation requirements in the case of mergers and divisions.

The present Regulations clarify certain aspects of S.I. No. 306 of 2011.

These Regulations were signed into law on 17 October, 2013.

[Companies \(Miscellaneous Provisions\) Act 2013, No. 46 of 2013](#)

This Act, signed by the President on 24 December, 2013, contains the following provisions –

- **Examinership for small private companies** - provides for the option to allow small private companies to apply directly to the Circuit Court to have an examiner appointed instead of having to apply to the High Court.
- **Electronic filing of accounts with the CRO** - simplifies the process of e-filing by companies of annual returns. The changes seek to reduce the administrative burden associated with the filing of accounts by companies.
- **Designated Officer in ODCE: provision for certain contingencies that may arise** - where the designated officer named in a search warrant is unable to act another designated officer may be substituted on the search warrant.
- **Disclosure of information to the ODCE** - allows specified regulatory authorities to disclose information relating to offences under the Companies Acts to the Director of Corporate Enforcement.
- **Levy on statutory auditors/audit firms of Public Interest Entities (PIEs)** - defrays the costs to the Irish Auditing and Accounting Supervisory Authority (IAASA) for carrying out the functions of external quality assurance in respect of these Public Interest Entities.
- **Application of investigation and penalty systems to certain third country auditors** - enables the Minister to make regulations for the application of investigation and penalty systems to certain third country auditors/audit entities which carry out audits of companies incorporated in specific third countries and territories whose transferable securities are admitted to trading on a regulated market in the State
- **Debt Relief Notice in the Personal Insolvency Act 2012** - amends a number of sections of the Personal Insolvency Act 2012 regarding the determination of applications for a Debt Relief Notice (DRN) and facilitates the processing of those applications by the Money Advice and Budgeting Service (MABS) which provides the relevant Approved Intermediary for this process.
- **Providing notice of bankruptcy in the Bankruptcy Act 1988** - amends a number of sections (17, 105, 130, 140B and 141) of the Bankruptcy Act 1988 with the objective of seeking to reduce the costs associated with bankruptcy. Section 140A is also amended to allow the relevant register referred to in that section to be maintained in electronic format and to be open to public inspection.

Current legislative projects including Directives in the process of being transposed

The Companies Bill 2012

The Companies Bill 2012 was published on 21st December 2012. This landmark legislative project, which is the largest substantive Bill in the history of the State, will bring significant benefits to companies of all types throughout the country.

The Bill, when enacted, will consolidate the existing 17 Companies Acts, which date from 1963 to 2013, and it also introduces a number of reforms, which are designed to make it easier to operate a company in Ireland.

Set out across 25 Parts, to ease the accessibility of the law for each different company type, the Bill contains 1,429 sections, and 17 Schedules.

The principal objective of the Bill is to restructure, consolidate, simplify and modernise company law in Ireland, and in doing so to improve Ireland's competitive position as a location for business investment. This reform seeks to ensure a balance between simplifying the day-to-day running of a business; maintaining necessary protections for those dealing with companies, such as creditors and investors; and putting in place an effective corporate governance regime to ensure compliance.

One of the principal innovations of the Companies Bill is reflected in its general structure. For the first time in Irish company law, the most common company type, the private company limited by shares, is placed at the centre of the legislation as the default company. The architecture of the Bill is inspired by the reality that almost 90% of companies currently registered at the Companies Registration Office are private companies limited by shares.

The simplification of company law proposed by the Bill is consistent with maintaining high standards of shareholder and creditor protection and robust corporate governance. It is intended that by making company law more accessible, more coherent and more reflective of actual business practice, Ireland's international competitiveness will improve and ordinary businesses and companies throughout the country will find it easier to establish and operate.

The Bill was passed by Dáil Éireann in April 2014 and is expected to commence its passage through Seanad Éireann in May 2014.

Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Bill 2013.

The Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Bill 2013 was published in the Seanad in July 2013.

The Bill is aimed primarily at easing the regulatory burden on co-operative societies and making it easier to start up and run a co-operative as an alternative form of enterprise organisation. It will address particular problems which have been identified in the co-operative sector, and will help ensure that this model can thrive and grow to its potential, in line with the commitment in the Programme for Government to promote appreciation of the co-operative as a form of enterprise organisation. The Bill also deals with certain issues in relation to friendly societies.

The Bill is set out in 4 parts, as follows:

Part 1 deals with preliminary and general matters, such as the short title, collective citation, construction, commencement, definitions and expenses.

Part 2 provides for various amendments to the Friendly Societies Act 1896, principally the cessation of registration of new societies under the Act and a prohibition on existing societies from establishing a loan fund.

Part 3 provides for a number of amendments to the Industrial and Provident Societies Act 1893, including providing for the removal of limits on individual shareholdings, increasing the amount that a society may raise in funds without the written permission of the Registrar of Friendly Societies, providing for appeals against a decision of the Registrar to be made to the Circuit Court rather than the High Court as at present, and allowing greater flexibility to societies regarding their financial year for the purpose of submission of annual returns.

Part 4 provides for the application of the existing law on examinership (as applied by the Companies Acts) to industrial & provident societies, which at present cannot avail of the examinership process.

[Accounting Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.](#)

Background

Directive 2013/34/EU repeals, replaces and amends the two Accounting Directives - 78/660/EEC (on individual financial statements) and 83/349/EEC (on consolidated financial statements) of limited liability companies, updated with a view to better accommodating the present and future needs of preparers and users of financial statements. The Directive is due to be transposed by 20 July 2015.

Key Objectives

- The reduction of the administrative burden and simplification, targeting mainly small companies;
- To increase the clarity and comparability of financial statements targeting the company categories for which these considerations are important;
- The protection of essential user needs; and
- The increased transparency on payments made to governments by the extractive industry and loggers of primary forests.

Progress

To initiate the process of transposing this Directive, a public consultation was issued by the Department in February, 2014 in relation to options available therein.

EU Audit Directive/Regulation

[Proposal for a Directive of the European Parliament and of the Council amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts](#) - The particular focus of the proposal is on the audit of non-publicly accountable entities.

[Proposal for a Regulation of the European Parliament and of the Council on specific requirements regarding statutory audit of public interest entities](#) - The proposal focuses on specific requirements regarding statutory audit of Public Interest Entities and addresses the situation of the audit of systemic entities (e.g. credit institutions and insurance undertakings) and listed companies. It proposes additional and reinforced measures in relation to such audits.

Key objectives

- strengthening the independence of auditors
- introducing greater diversity into the audit market
- creating a Single Market for statutory audit services allowing auditors to exercise their profession freely and easily across Europe, once approved in one Member State
- introducing a strengthened and more coordinated approach to the supervision of auditors in the EU.

Progress

The EU Audit proposals are expected to be adopted in Quarter 2, 2014.

Directive 2012/ 17/EU of the European Parliament and of the Council (as regards the Interconnection of Central, Commercial and Companies Registers) was published in July 2012.

The Directive introduces a legal obligation on Member States for the exchange of data between registers within the Union. The object is to interface all registers of the Union, through a central portal which will have the capacity to deal with searches and queries submitted by individual users on companies and their branches. It will be capable of transferring the information required in standardised format in all the official languages of the Union.

Following implementation, the Interconnection of Central, Commercial and Companies Registers will create a more business friendly legal and fiscal environment, which should reduce the administrative burden whilst fostering the competitiveness of European Business.

The deadline for transposition of the Directive is July 2014 and the roadmap for implementation suggests that the system will be operational in July 2017.

Commission Decisions 2013/281/EU and 2013/288/EU

Decisions **[2013/281/EU of 11 June, 2013](#)** and **[2013/288/EU of 13 June, 2013](#)** provide for the extension of equivalence of certain third country public oversight, quality assurance, investigation and penalty systems for auditors and audit entities and a continued transitional period for audit activities of certain third country auditors and audit entities in the European Union. The Decisions will be given effect through Regulations.

Proposal for a Regulation of the European Parliament and of the Council amending the EU Insolvency Regulation.

This proposed Regulation seeks to amend the EU Insolvency Regulation (Council Regulation (EC) No. 1346/2000). That Regulation came into effect in 2002 and set a European framework for cross border insolvency proceedings, regardless of whether the debtor involved was a person or a company.

The proposal was published by the European Commission in December 2012 and its key reforms seek to:

- Extend the scope of the existing regulation to include hybrid and pre-insolvency proceedings with a view to giving a second chance, when appropriate, to companies experiencing a solvency crisis;
- Clarify the rules on jurisdiction and improve the procedural framework for determining jurisdiction;
- Amend the rules on secondary insolvency proceedings by:
 - removing the requirement that secondary proceedings must be winding up proceedings,
 - allowing courts opt not to open secondary proceedings when these are not necessary to protect local creditors interests,
 - improving the cooperation between main and secondary proceedings;
- Improve the publicity of proceedings and standardise the forms used when lodging claims;
- Coordinate insolvency proceedings involving companies of the same group of companies.

Negotiations on these proposals commenced in 2013 and will continue into 2014. The Department of Jobs, Enterprise and Innovation is dealing with the proposal in so far as it impacts on company law and is working closely with the Department of Justice who are responsible for the personal insolvency and general aspects.

Proposal for an amendment to the European Communities (Admissions to Listing and Miscellaneous Provisions) Regulations, 2007.

The European Communities (Admissions to Listing and Miscellaneous Provisions) Regulations 2007 appointed the Irish Stock Exchange as the competent authority for admission of securities to its Official List.

On 14th April 2014 the Minister introduced Regulations amending the 2007 Regulations.

These amendments are required to allow the Irish Stock Exchange plc (CRO Registration Number 539157) replace the Irish Stock Exchange Limited (CRO Registration Number 233947) as the competent authority for the Official List of the Exchange.

Future legislative projects including Directives currently under negotiation

Draft Directive on disclosure of non-financial and diversity information by certain large companies and groups.

The European Commission adopted its proposal for a Directive to amend the Accounting Directive as regards disclosure of non-financial and diversity information for certain large companies and groups in April 2013. The proposed Directive will oblige companies over a certain size to include information in their annual management reports on their environmental, social and employee-related, and human rights and anti-bribery policies. It will also require those companies that are already obliged to produce corporate governance statements to include particular information on their diversity policies in those statements. Discussions on the proposal began in July and the Council and Parliament entered into negotiations towards adoption in January 2014. The European Parliament voted on amendments in April 2014 and Council is expected to adopt the Directive soon after that.

Chapter 2 - Offices and Agencies operating in the Company Law Area

This Chapter provides links to the Websites of the Companies Registration Office, the Office of the Director of Corporate Enforcement, the Irish Auditing and Accounting Supervisory Authority and the Irish Takeover Panel.

1. Companies Registration Office (CRO)

The Annual Report of the CRO will be available on the Office's website following publication and can be accessed at www.cro.ie

2. Office of The Director Of Corporate Enforcement (ODCE)

The Annual Report of the ODCE will be available on the Office's website following publication pursuant to section 16(1) of the Company Law Enforcement Act 2001 and will then be available to download at www.odce.ie

3. Irish Auditing and Accounting Supervisory Authority (IAASA)

IAASA is required under Section 22 of the Companies (Auditing and Accounting) Act 2003 to submit an Annual Report to the Minister. The Report when published will be available on IAASA's website which can be accessed at www.iaasa.ie/publications/index.htm

4. Irish Takeover Panel

The Irish Takeover Panel published its sixteenth Annual Report pursuant to Section 19 of the Irish Takeover Panel Act 1997. The Report, which covers the period from 1 July 2012 to 30 June 2013, is available for download from the Panel's website at <http://irishtakeoverpanel.ie/wp-content/uploads/2013/10/2013-Annual-Report>

Chapter 3 – Report of the Irish Stock Exchange pursuant to Part V of the Companies Act 1990

Section 120 of the Companies Act 1990 requires the Irish Stock Exchange to make an annual report to the Minister for Jobs, Enterprise and Innovation on the exercise of its functions as a competent authority under Part V of that Act, in relation to the offence of insider dealing. That report is reproduced here.

ANNUAL REPORT TO THE MINISTER FOR JOBS, ENTERPRISE AND INNOVATION PURSUANT TO PART V OF THE COMPANIES ACT 1990 REPORT FOR THE YEAR ENDED 31 DECEMBER 2013.

Background

1.1 Part V of the Companies Act, 1990 (the Act) creates an offence of Insider Dealing, and provides for criminal and civil sanctions in relation to contraventions of Part V.

1.2 Section 115(1) of the Act, as amended by the Company Law Enforcement Act, 2002, places a statutory duty on the relevant authority of a recognised stock exchange to furnish the Director of Corporate Enforcement with a report where it appears to it that an offence has been committed under the legislation.

1.3 For the purposes of Part V of the Act, the Irish Stock Exchange (the ISE) is a recognised stock exchange. Under Section 107 of the Act a relevant authority is defined as being:-

- (a) its board of directors, committee of management or other management body; or
- (b) its manager however described.

1.4 Section 120 of the Act requires the Irish Stock Exchange, as a recognised stock exchange, to make an annual report to the Minister for Jobs, Enterprise and Innovation. This report must include:

- (a) the number of written complaints received concerning possible contraventions of Part V;
- (b) the number of reports made to the Director of Corporate Enforcement under Part V;
- (c) the number of instances in which, following the exercise of powers by authorised persons under Part V, reports were not made to the Director of Corporate Enforcement; and
- (d) such other information as may be prescribed.

1.5 On 6 July 2005 the Market Abuse (Directive 2003/6/EC) Regulations, 2005 (Market Abuse Regulations) were enacted. As a result securities traded on the regulated market of the ISE, the Main Securities Market (MSM), are now within the scope of the Market Abuse Regulations and Part V applies to trades in Irish securities which took place prior to the 6 July 2005 and trading post this date in Irish securities traded on the ISE's Enterprise Securities Market (ESM) and Global Exchange Market (GEM) only.

1.6 Since the introduction of the European Communities (Markets in Financial Instruments) Regulations 2007 on 1 November 2007, the ISE is also obliged under Sections 67(2) and 113(b) (ii) of those Regulations to report to the Central Bank of Ireland conduct that may involve market abuse in relation to securities admitted to its regulated market (MSM) and its multilateral trading facilities (ESM and GEM), respectively.

2. Nature of Investigation Process

In respect of the ESM and GEM, the investigation of possible contraventions of Part V is undertaken by persons authorised under Section 117 of the Act. In the context of Part V, authorised persons plan, perform and report on the results of their investigations in association with a relevant authority of the Irish Stock Exchange (the Head of Regulation). All cases that give rise to a reporting obligation under Section 115 of the Act are reported to the Director of Corporate Enforcement as soon as practicable after the investigation has been concluded.

The exact nature of the investigation process may vary depending on the particular details of each case. However the investigation process is structured so as to ensure:

- a complete review of all facts relevant to the investigation;
- due attention is paid to the right of any suspect(s) to fair procedures; and
- the production of a complete chain of evidence to ensure comprehensive reporting to the Director of Corporate Enforcement, if required.

In addition independent expert opinion from industry specialists and/or legal advisors is sought if the circumstances of a particular case demand it.

3. Report for the year ended 31December 2013

3.1 In accordance with its obligations under Section 120 of the Act, the Irish Stock Exchange reports to the Minister in relation to its activities during 2013, as follows:

- (a) Two written complaints were received in relation to alleged breaches of Part V of the Act.
- (b) No formal reports were made by the ISE under Part V of the Act to the Director of Corporate Enforcement in respect of a suspected offence.
- (c) Authorised persons exercised statutory powers in relation to two investigations into suspected breaches of Part V. None of these investigations were ongoing at the end of 2013.
- (d) No other information has been prescribed by the Minister under Section 120(1) (d).

Chapter 4 – Report of the Irish Stock Exchange pursuant to the EC (Admissions to Listing and Miscellaneous Provisions) Regulations 2007.

The European Communities (Admissions to Listing and Miscellaneous Provisions) Regulations 2007 appoint the Irish Stock Exchange (“the ISE”) as Competent Authority for the purposes of the Consolidated Admissions and Reporting Directive (Directive 2001/34/EC) and require that it furnish an annual report to the Minister for Jobs, Enterprise and Innovation on the exercise of its functions as Competent Authority. The main part of the report is reproduced here.

ANNUAL REPORT TO THE MINISTER FOR JOBS, ENTERPRISE AND INNOVATION PURSUANT TO REGULATION 10 OF THE EUROPEAN COMMUNITIES (ADMISSIONS TO LISTING AND MISCELLANEOUS PROVISIONS) REGULATIONS 2007

REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

EUROPEAN COMMUNITIES (ADMISSIONS TO LISTING AND MISCELLANEOUS PROVISIONS) REGULATIONS 2007

1. Introduction

The European Communities (Stock Exchange) Regulations 1984 (S.I. No. 282 of 1984) were repealed during 2007 and replaced by the European Communities (Admissions to Listing and Miscellaneous Provisions) Regulations 2007 (S.I. No. 286 of 2007) (the Regulations). The Regulations implement the Consolidated Admissions and Reporting Directive (2001/34/EC) (the Directive) into Irish law. The Regulations appoint the Irish Stock Exchange (the ISE) as Competent Authority for the purposes of the Directive and require that it furnish an annual report to the Minister for Jobs, Enterprise and Innovation on the exercise of its functions as Competent Authority.

The Board of The Irish Stock Exchange Limited (the Board) now presents the twenty-ninth annual report on the exercise of its functions as Competent Authority in the State during 2013 in accordance with Regulation 10, Paragraphs (a) to (e) of the Regulations. For completeness, information in relation to the Enterprise Securities Market (ESM, which falls outside of the scope of the Regulations, has been included in this report.

2. The Regulations

General

During 2013 the Board continued to carry out the functions of Competent Authority as set out in the Regulations. In the period, the main Competent Authority functions of the Board were delegated to and carried out by the Equity Listing and ESM Committee, the Debt Listing Committee, the Investment Funds Listing Committee and the Executive of the Irish Stock Exchange. During 2013 the Irish Stock Exchange applied the conditions for admission to Official Listing in accordance with the Directive.

3. The Regulations require the following specific requirements to be addressed:

(a) Amendments to Listing Rules or Revisions of the Procedures

A new chapter was added to the Listing Rules of the Irish Stock Exchange to provide for the listing of Real Estate Investment Trusts (Chapter 16). In addition, minor amendments were made to the listing rules for Collective Investment Undertakings of the Closed-Ended Type contained in Chapter 14 of the Listing Rules. The listing rules for Open Ended Investment Funds were also updated. Copies of the amended versions of these rule books are enclosed.

(b) Nature of all securities which are admitted to Official Listing and the Enterprise Securities Market (ESM)

A number of types of securities were admitted to Official Listing and the ESM during 2013 as follows:

(i) States and their regional or local authorities.

There were 14 new Irish Government bonds and eight new Irish Treasury Bills admitted to the Official List during 2013.

(ii) Companies and issuers other than States and their regional or local authorities.

The securities admitted included ordinary capital issues of Irish and foreign registered companies including equities, fixed interest, loan stock, preference stock, debentures, various types of debt securities, UCITS and investment funds.

All such securities admitted to Official Listing and the ESM are listed in Appendix I to this report.

(c) Refusal of any applications for admission to Official Listing and ESM

In 2013 no applications for admission to the Official List or the ESM were refused.

(d) Suspension or discontinuation of any Official Listing and ESM

The securities whose listing was suspended or cancelled during the period are set out in Appendix II to this report.

(e) Any special arrangements which have been made with other Member States pursuant to Article 13 of the Directive

During the period under review it was necessary to co-operate and communicate with the Competent Authority in the United Kingdom regarding Irish securities listed on the Official List of the Financial Conduct Authority (FCA). The Irish Stock Exchange has maintained a similar relationship with the FCA as existed during previous years.

No other circumstances arose necessitating any special arrangements or co-operation with the Competent Authorities in other Member States.

Chapter 5 - Euroclear UK & Ireland (EUI)

Reproduced here is the annual report of Euroclear UK & Ireland concerning the Irish market's activities in its system for the twelve months ended 31 December 2013. Provision of the Report is a condition for recognition of Euroclear UK and Ireland as a system for settlement of Irish securities.

INTRODUCTION

I. GENERAL

In order to facilitate the use of the CREST system, for settlement of Irish securities, the Minister of State at the Department of Enterprise and Employment made the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996. As a supplementary condition for recognition, the Minister required the presentation of an annual report concerning Irish activities in the EUI system. This paper constitutes Euroclear UK & Ireland's annual report for the twelve months ended 31 December 2013.

1.2 SUMMARY OF 2013

During 2013 the CREST system supported:

- The settlement of an average of 228,000 transactions per day (peaking at 277,717 transactions on 20 March), a 5% increase compared to the 2012 average;
- The settlement of a total of 58.4 million transactions with a total value of £275 trillion;
- Daily average cash movements of £815 million; and
- Daily average stock movements of £1.1 trillion.

1.3 EUI SYSTEM

The CREST system was inaugurated in 1996. The main settlement services offered by EUI are summarised below:

- Real time electronic settlement of a range of investment funds, equity and debt securities, including UK gilts and MMIs;
- Model 1 Delivery versus Payment (DvP) in Central Bank Money (CBM) for sterling and euro payments and registration of securities at the point of settlement;
- EUI provides support to several Central Counterparties (CCPs) for the central counterparty services they offer to various trading platforms. EUI offers two types of clearing related services: the CREST Clearing Support Arrangement which is more limited (includes the direct input service) and the CREST Central Counterparty Service (which includes direct

input, the netting service, and maintenance of databases containing various data such as open position data and margin data calculated by the CCPs).

- Fully dematerialised holdings of equity and gilt securities, MMIs and other instruments;
- Supporting dematerialisation and rematerialisation of securities through the CREST Courier and Sorting Service (CCSS);
- Settling bilateral stock borrowing, lending, collateral management and repurchase transactions;
- Provision of data on corporate actions, electronic dividends, automatic generation and processing of market claims and transformations, and the settling of the movements associated with the full range of mandatory, optional and voluntary corporate actions;
- Straight through processing for UK transaction reporting to the Financial Services Authority (FSA), LSE, HM Revenue and Customs (HMRC) and Irish Revenue Commissioners (IRC);
- Collection of Stamp Duty Reserve Tax (SDRT) on behalf of HMRC, and Stamp Duty on behalf of the IRC;
- Links with other Central Securities Depositories (CSDs) allowing settlement of international securities;
- Multi-currency settlement in sterling, US dollars and euro, with Model 1 DvP for sterling and euro, and bilateral assured payments for USD;
- Real time enquiry facilities; and
- Provision of transactional data to clearing houses and CCP participants including open positions, margins, historical prices and eligible securities.

In 2010 EUI merged with EMXCo Ltd and now offers funds message routing. The EUI funds service operates on the EMX Message System which is not operated under the Uncertificated Securities Regulations.

1.4 EUROCLEAR UK & IRELAND LIMITED: OWNERSHIP AND GOVERNANCE

In November 2002, CRESTCo Limited became a wholly owned subsidiary of Euroclear Bank SA/ NV following the transaction involving CRESTCo Limited and Euroclear Plc in September 2002. From January 2005, the Euroclear group was restructured with CRESTCo Limited being a wholly owned subsidiary of Euroclear SA/ NV. On 1st July 2007 CRESTCo Limited's legal and operating name changed to Euroclear UK & Ireland Limited. Euroclear UK & Ireland Limited operates the EUI system. In the context of this 2013 report, the Euroclear group of companies (Euroclear group) comprises Euroclear SA/NV and its operating subsidiaries - Euroclear Bank, Euroclear UK & Ireland, Euroclear France, Euroclear Nederland, Euroclear Belgium, Euroclear Finland, Euroclear Sweden.

Euroclear SA/NV owns the group's shared securities processing platforms and delivers a range of services to the group's (International) Central Securities Depositories ((I)CSDs). Euroclear Bank, Euroclear UK & Ireland, Euroclear France, Euroclear Nederland, Euroclear Belgium, Euroclear Finland, Euroclear Sweden are sister companies, all under the ownership of Euroclear SA/ NV, which is ultimately owned by Euroclear Plc.

EUI's Board of Directors consists of representatives from both EUI and Euroclear SA/NV, and includes two independent directors. The directors as at 31 December 2013 were as follows:

Frederic Hannequart (Chairman)	Euroclear SA/NV
John Trundle	EUI
Peter Sucaet	Euroclear SA/NV
Tom Challenor	Independent
Sue Concannon	Independent

1.5 EUROCLEAR UK & IRELAND BOARD SUB-COMMITTEES

The EUI Board has a number of sub-committees, whose membership includes people co-opted from outside the Board itself. The following representatives of the Irish market participate in the Settlement Discipline Sub-committee:

- Brian Healy, Irish Stock Exchange, 28 Anglesea Street, Dublin 2
- Graham O'Brien, Investec Capital & Investments (Ireland) Limited, The Harcourt Building, Harcourt Street, Dublin 2

1.6 EUROCLEAR UK AND IRELAND'S OBLIGATIONS

EUI's obligations are set out in the agreements it enters into with its Users and Participants. Primarily (in very brief summary), its obligation is to provide the settlement services described in the CREST Manual. The CREST Manual sets out the functionality contained in the EUI system, and is available from the EUI web site (www.euroclear.co.uk).

2. IRISH PARTICIPATION IN THE EUI SYSTEM

2.1 THE IRISH STOCK EXCHANGE

EUI has entered into an agreement with the Irish Stock Exchange, under which the Exchange has appointed EUI to provide settlement services, and a Memorandum of Understanding, under which both parties agreed to share information with each other which is of mutual interest or importance.

2.2 IRISH SECURITIES

As of 31 December 2013 there were 529 Irish securities available for settlement in the EUI system.

2.3 IRISH PARTICIPANTS

The following Irish entities were CREST system Participants as at 31 December 2013:

2.3.1 The following are Irish-based Brokers who are CREST system Participants:

- Campbell O'Connor & Company
- Davy Stockbrokers
- Merrion Capital Group
- Investec Capital & Investments (IRELAND) Limited
- Goodbody Stockbrokers ceased to be an EUI System participant during 2013 and now use Pershing Limited as their sponsor

2.3.2 Irish-based Custodians who are CREST System Members:

There are currently no Irish-based custodians who are EUI system members.

Note: Citibank, Northern Trust and Merrill Lynch, although not Irish companies are also represented in Ireland,

2.3.3 Irish-based Registrars who are CREST system Registrars

- Computershare (Ireland)
- Kerry Group plc
- Capita Corporate

2.3.4 Euro Settlement Banks

There are currently no Irish banks supporting settlement in the CREST system.

2.4 CREST SYSTEM LIAISON GROUPS

Euroclear chairs a series of liaison groups and working parties to consult upon and discuss particular matters of interest to various constituencies within the securities industry.

At the time of the merger with CRESTCo Limited, Euroclear agreed to set up Market Advisory Committees (MACs) in each country for which it acts as central securities depository or securities settlement system. The purpose of the MACs is to act as a primary source of consultation between the Euroclear group and the user communities on significant matters relating to their respective domestic markets. This consultation process is conducted with Euroclear management. The members of the MACs are chosen by the market and approved by the Board of Euroclear SA/NV.

Irish members of the EUI system participated in the following liaison groups and working parties as at 31 December 2013:

Irish Market Advisory Committee (MAC)

Brian Healy - Chairman (Irish Stock Exchange)
Eamonn Doyle (Davy Stockbrokers)
Graham O'Brien (NCB Stockbrokers)
Graham Shuttlewood (Royal Bank of Scotland)
Albert Farrell (Bastow Charlton)
Mary Farrell (Central Bank of Ireland)
Paul Shiels (National Treasury Management Agency)
Donald Halligan (Computershare)
Joe Molony (Computershare)
Peter Sinnott (Central Bank of Ireland)
John Trundle (Euroclear) - Euroclear Liaison

(Retail Brokers Liaison Group did not sit during 2013)

If you would like more information about these groups please contact:

Philippe Laurensy
Regional Director Relationship Management & Client Services
Euroclear SA/NV
c/o 33 Cannon Street
London EC4M 5SB
Tel (Brussels): +32 (0) 2 326
1452 Tel (London): +44 (0) 20
7849 0698
[Email: philippe.laurensy@euroclear.com](mailto:philippe.laurensy@euroclear.com)

3. CREST RULES

3.1 REGISTRARS SERVICE STANDARDS

Details are contained in rule 5 of the CREST Rules section of the CREST Manual available from the Information section of the EUI website (www.euroclear.co.uk).

The Standards have been fully in force since September 1997. During the course of 2013, Irish registrars incurred an aggregate penalty below £100, and therefore they were not penalised.

3.2 SETTLEMENT DISCIPLINE RULES

At the market's request, EUI operates the settlement discipline regime. The Settlement Discipline Committee (SDC) which operates under specific terms of reference and monitors a regime for

improving the efficiency of settlement of UK and Irish securities in the EUI system. The SDC entirely consists of market practitioners and applies fines set by the market.

Details are contained in rule 6 of the CREST Rules section of the CREST Manual available from the Information section of the EUI website (www.euroclear.co.uk).

Ireland is currently not represented on the Appeal Body.

3.3 BAD DELIVERY RULES

Paragraph 19(a)(ii) of the Schedule to the Companies Act 1990 (Uncertificated Securities) Regulations 1996 requires the EUI system to have rules relating to situations in which a registrar is unable to register a transfer in response to a registration instruction from the EUI system in one of the (very limited) circumstances specified in Regulation 16 (which relate to court orders etc.).

Details are contained in rule 12 of the CREST Rules section of the CREST Manual available from the Information section of the EUI website (www.euroclear.co.uk).

The bad delivery reversal procedures were not implemented in respect of an Irish security during 2013.

3.4 CHANGES TO THE CREST RULES

The CREST Rules were most recently updated in December 2013.

4. CORPORATE ACTIONS

The following notable corporate actions involving Irish securities were processed during 2013: • Elan Corporation - Capitalisation Dec 13 _____

5. EUROPEAN MATTERS

5.1 THE SETTLEMENT FINALITY DIRECTIVE

Directive 98/26/EC of the European Parliament (the Settlement Finality Directive) is implemented in Irish law in the European Communities (Finality of Settlement) Regulations, 2008 (SI No 88 of 2008) ("the Settlement Finality Regulations"). The CREST system is a designated system pursuant to the Settlement Finality Regulations. Transfers of Irish securities by means of the CREST system therefore have the benefit of the protection of the Settlement Finality Regulations.

Details are contained in rule 13 of the CREST Rules section of the CREST Manual available from the Information section of the EUI website (www.euroclear.co.uk).

6. EUROCLEAR UK & IRELAND FEES AND TARIFFS

Tariff details are available from the Information section of the EUI website (www.euroclear.co.uk). Please address any queries on this report to:

Paul Miles
Head of CEO's Office
Euroclear UK & Ireland Limited

33 Cannon Street
London EC4M 5SB
Tel: +44 (0) 20 7849 0024
Fax: +44 (0) 20 7849 0134

[Email: paul.miles@euroclear.co.uk](mailto:paul.miles@euroclear.co.uk)

Appendix 1 - Companies Liquidation Account as of 31 December 2013

Companies Liquidations Account

Company	Capital €	Invested In
Local Ireland Ltd	2,888.42	SSgA Cash Fund
United Reinsurance Company	183,009.25	SSgA Cash Fund
James McMenamin Ltd	3,823.00	SSgA Cash Fund
Clara Candy Ltd	694.57	SSgA Cash Fund
Indequip Ltd	585.11	SSgA Cash Fund
International Motor Factors (Ireland)	607.13	SSgA Cash Fund
PMPA Garage (Roscrea) Ltd	231.14	SSgA Cash Fund
PMPA Garage (Portlaoise) Ltd	777.99	SSgA Cash Fund
North Garage (PMPA) Ltd	503.71	SSgA Cash Fund
Merrill Lynch Defined Returns PLC	108,620.09	SSgA Cash Fund
Dublin Cargo Handling Ltd	8,427.84	SSgA Cash Fund
Close FTSE 100 Income & Growth	15,415.25	SSgA Cash Fund
Transaer International Airlines Ltd	7,254.14	SSgA Cash Fund
Mark Synnott (Life & Pensiona) Brokers	3,108.59	SSgA Cash Fund
GLG Investments 2 PLC	7,916.78	SSgA Cash Fund
The Equitable Insurance Co	51,493.41	SSgA Cash Fund
Crannac Co-Operative Society Ltd	95,947.20	SSgA Cash Fund
PCS Adjusters Ltd	761.18	SSgA Cash Fund
Frank McGivern Ltd	616.37	SSgA Cash Fund
Keno Fun Foods Ltd	300.83	SSgA Cash Fund
Swiss Life Funds (IRL) PLC	14,100.48	SSgA Cash Fund
Hospitals Trust (1940) Ltd	801.98	SSgA Cash Fund
White Strand Motor Inn Ltd	1,057.24	SSgA Cash Fund
Interclaim Recovery Ltd	1,283.00	SSgA Cash Fund
Malachy Quinn (Machinery) Ltd	462.67	SSgA Cash Fund
Iona Software Ltd	2,931.83	SSgA Cash Fund
Mullingar Livestock Agency Ltd	28,033.44	SSgA Cash Fund
Kerrigan Insurances Ltd	516.38	SSgA Cash Fund
Key Tech Enclosures Ltd	975.41	SSgA Cash Fund
Irish Savings Building Society	56,806.54	SSgA Cash Fund
Merrill Lynch Performance Fund	28,300.39	SSgA Cash Fund
Killeavy Properties Ltd	411.83	SSgA Cash Fund
Mth Midas Trading Hse (Ire) Plc	94,791.98	SSgA Cash Fund
Aherlow Hotel Ltd	1,106.73	SSgA Cash Fund
Dan McInenney & Sons	3,503.80	SSgA Cash Fund
J Stafford (Mackeys Seeds Ltd)	89,999.15	SSgA Cash Fund
FFC Financial Future Corporation PLC	146,222.15	SSgA Cash Fund
Saturn Fulfilment Services Ltd	822.02	SSgA Cash Fund
Liam Dowdall	14,900.07	SSgA Cash Fund
A Neary	8,400.56	SSgA Cash Fund

Company	Capital €	Invested In
O/L CH Ireland INC	594.42	SSgA Cash Fund
Merchant Banking Ltd	35,938.25	SSgA Cash Fund
Palmer Products Ltd	28,792.00	SSgA Cash Fund
Axxon Waste Disposal Ltd	7,379.49	SSgA Cash Fund
Ballycastle (Mayo) Enterprises	12,517.54	SSgA Cash Fund
Pioneer America Fund Plc	4,071.17	SSgA Cash Fund
Biscayneamericas Funds Plc	5,407.89	SSgA Cash Fund
Waterford Multiport Ltd	540.03	SSgA Cash Fund
SMTC Manufacturing Corp of Irl	5,071.40	SSgA Cash Fund
W.P. Stewart Funds Plc	1,513.81	SSgA Cash Fund
The Achievers Group Ltd	2,311.42	SSgA Cash Fund
Duiske Ltd	350.40	SSgA Cash Fund
Brewing & Dublin Vintners Investment Co Ltd	25,161.84	SSgA Cash Fund
Monaghan Poultry Products Ltd	1,738.47	SSgA Cash Fund
H Williams & Company Ltd	398.44	SSgA Cash Fund
M&G Leveraged European Loan Fund Limited	37,712.59	SSgA Cash Fund
Emo International Garden Festival Limited	299.14	SSgA Cash Fund
Lernout & Hauspie(Ireland) Limited	69810.16	SSgA Cash Fund
Irish Trust Bank Limited (In Liquidation)	4,947.76	SSgA Cash Fund
R.S Finishing Systems Limited (In Liquidation)	765.59	SSgA Cash Fund
Irish Commercial Society Group Limited	31416.23	SSgA Cash Fund
EU-Jetops Limited (In Liquidation)	54,558.52	SSgA Cash Fund
DON BLUTH ENTERTAINMENT LIMITED(IN VOL LIQ)	81,034.00	SSgA Cash Fund
TELESCREEN LIMITED (IN LIQUIDATION)	377.17	SSgA Cash Fund
DERMOT MCDERMOTT AND COMPANY LIMITED	13,338.48	SSgA Cash Fund
EDGEWORTHSTOWN LIVESTOCK MART	38,506.36	SSgA Cash Fund
QUALCERAM SHIRES PUBLIC LIMITED COMPANY(IN LIQ)	9,838.12	SSgA Cash Fund
FOREXCONCEPT FUND PLC	37,659.98	SSgA Cash Fund
BUNCLODY FARMERS CO-OPERATIVE	3,680.33	SSgA Cash Fund
CONNESSE BUILDING SERVICES LIMITED (IN LIQ)	6,259.89	SSgA Cash Fund
DEBMAR CO LIMITED (IN VOLUNTARY LIQUIDATION)	874.32	SSgA Cash Fund

Appendix 2 - Company Law Contact Information

Website links

Company Law Sections in the Department www.djei.ie

Ms. Breda Power, Assistant Secretary, is head of the Division.

The following sections of the Company Law area, are located in the

Department of Jobs, Enterprise and Innovation
Earlsfort Centre
Lower Hatch Street
Dublin 2

(i) Company Law Policy

The role of the section is to advise and assist the Minister in relation to the carrying out of his statutory, policy and managerial responsibilities under the Companies Acts 1963 to 2013. This work relates mainly to the current legislative and regulatory framework.

Link to website here: [Company Law Policy](#)

(ii) Company Law Policy (Auditing and Accounting)

The role of the section is the preparation and drafting of legislation in relation to company law (auditing and accounting); the negotiation of EU proposals on this area of company law and the transposition of EU proposals into domestic law.

Link to website here: [Company Law \(Auditing and Accounting\)](#)

(iii) Company Law Review

The Section serves as a secretariat of the Company Law Review Group and its main tasks are:

- to expedite the work programme of the Group and to produce, every second year, the substantive report which results from the work programme, and
- to progress the recommendations of the Review Group, subject to Ministerial/Government approval, to the legislative stage.

Link to website here: [Company Law Review Group \(Secretariat\)](#)

(iv) Cooperative Legislation Unit

The main role of the unit is to advise and assist the Minister in relation to the carrying out of his statutory, policy and managerial responsibilities under the Industrial and Provident Societies Acts, the Friendly Societies Acts and the Trade Union Acts and this includes responsibility for monitoring and supporting the Registrar of Friendly Societies. This work relates both to the current legislative and regulatory framework and to proposals for changes to the current regime.

Link to website here: [Co-operative Law](#)

(vi) Companies Bill 2012

The primary role of the section is to manage the process of enactment of the Companies Bill 2012.

Link to website here: [Companies Bill 2012](#)

Appendix 3 – Secretaries of Public Limited Companies

ICSA Report for Companies Report for Department of Enterprise Jobs and Innovation

Section 236 of the Companies Act 1990 places a duty on directors of a public limited company to take all reasonable steps to ensure that the secretary of the company has adequate knowledge and experience to discharge the functions of a company secretary as laid down by the Act. While it is not obligatory for a company secretary of a public limited company to be a member of a ‘recognised body’, the section provides that the Minister may recognise ‘relevant bodies’ for the purpose of the section. The Institute of Chartered Secretaries and Administrators (ICSA) has been so ‘recognised’ by the Minister.

On the figures to hand from ICSA in London, total worldwide membership currently stands at 37,040.

The Worldwide and Ireland numbers as at 31 July 2013 were as follows:

	Worldwide	Ireland
Associates and Fellows	32,618	489
Graduates	3,813	77

Note: The institute can no longer differentiate between Associates and Fellows worldwide due to changes in the way it gathers this data. Graduate denotes a candidate for the Profession who has completed the education requirements but has not yet met the other criteria to be considered for membership. The Institute has reported that no complaints were received concerning any member in the Irish Region in 2013.