

**Speech : Minister Calleary**  
**CEA Conference,**  
**Thursday 17<sup>th</sup> October 2024**  
**King's Inns**

**Opening Remarks**

- Thank you, Ian (Drennan), for your introduction and warm welcome.
- Good morning, everyone - it is a privilege to be here with you today, at the Corporate Enforcement Authority's (CEA) second annual conference.
- I am delighted to be back again at King's Inns. It is wonderful to see a building such as this, so steeped in history, being made available for hosting a conference like this.
- I want to start by thanking Ian and the team at the Authority for inviting me to address you all.
- I would also like to acknowledge Cathy (Shivnan), her team and all the Directors and staff of the CEA for their work in developing and delivering today's conference.

- Today's event follows almost exactly a year to the day from the CEA's inaugural conference and looking at the line up of speakers for today, I predict that this year's conference will be equally as informative and stimulating as last year's.
- I note the Honourable Mr. Justice Brian Murray, Judge of the Supreme Court of Ireland is due to address you shortly and also Declan Hughes, Secretary General, Department of Enterprise Trade and Employment with whom I have had the pleasure of working closely over the last few years.

### **Establishment of the Corporate Enforcement Authority**

- This time last year we spoke about the CEA in terms of an agency in its infancy.
- The CEA can no longer be described as a fledgling organisation. Under Ian's tenacious leadership, the CEA has successfully navigated the period of transition from an office to and agency.

- It is now well established and firmly embedded as an integral part of our corporate ecosystem.
- I want to reiterate my commitment to supporting the work of the CEA and through Budget 2025 I have now brought the CEA's budget to over €11.5 million for next year.
- The additional funding will mean the CEA can hire more specialist staff, thus enabling the agency to continue to effectively carry out its work in investigating and prosecuting breaches of company law.
- The increased autonomy and flexibility of the new agency that we heralded at last year's conference have already been brought to bear.
- This is well reflected in the recent achievements of the agency.
- I was pleased to receive the CEA's first annual report in June this year. It reflected an agency that is operating effectively and efficiently.

- What struck me in particular was the CEA's focus on advocacy and providing accurate and accessible information and guidance notes to its shareholders. It has an excellent outreach programme and attend events and exhibitions around the country promoting the importance of company law and compliance with it.
- The CEA has made its presence known nationally – attending the National Ploughing Championships in Laois last month and many other events around the country, but also internationally – for example by flying the flag for the Ireland and the CEA at the International Association of Insolvency Regulators Conferences in Serbia last year and Washington this year.
- We can say with confidence now say that Ireland has a well-established and strong corporate architecture by which to regulate company law in an autonomous and agile manner.

### **Competitiveness**

- A well-functioning regulatory environment is the cornerstone for a productive and competitive economy.

- We know that Ireland has a reputation as a good country for enterprise to develop and grow. We continue to perform well across a range of indicators for the business and regulatory environment. Recently the IMD World Competitiveness Rankings ranks Ireland in fourth place for its business legislation.
- We must now strive to optimise Ireland's position in a highly competitive global economy.
- Competitive advantage is hard to gain and even harder to maintain. This Government understands the importance of regulation in this respect. We have sought to enhance Ireland's business regulation to facilitate sustainable investment and development, to achieve competition in the marketplace and to provide high standards of consumer protection and corporate governance.
- We do this through horizon scanning. We regularly review our corporate and regulatory policy to ensure that our legislation is responsive and reflects international best practice;

- We support the regulatory and enforcement bodies - the CEA, IAASA and the CRO – to make sure these bodies have the tools they need to carry out their statutory functions effectively;
- We implement effective business regulation and reduce administrative burden through the development of policy that is evidence-based and by employing and promoting the SME Test, by conducting Regulatory Impact Analyses, and by engaging early and continuously with stakeholders. essential in order for us to develop appropriate policy which allows us cultivate the highest level of compliance which in turn drives competitiveness,
- The Companies (Corporate Governance, Enforcement and Regulatory Provisions) Bill 2024 is a good example of putting into practice what I have just described.
- Stakeholder engagements is a vital component in developing robust and proportionate regulation. The published Bill is a product of an in-depth scoping exercise, engagement with enterprise, with the CEA, the CRO and IAASA and the Company Law Review Group. It also follows a full public consultation on proposals.

- There are recommendations which may not have made it into this Bill as they require further legal or policy consideration and I want to ensure you that all of the submissions received are reviewed by officials and considered and where necessary brought to the attention of the CLRG for their expert input.
- In relation to the CLRG, its new work programme is close to being signed off, part of which will include the reconstitution of the Enforcement Committee, of which Ian will be Chair. I look forward to working with Ian and the CLRG's chair Paul Egan into the future.
- I am pleased to say that the Bill has been making swift progress through the Oireachtas so far with no amendments to it having been tabled. Deputies have largely shown support of this Bill. I believe is a result of the in-depth engagement that was had while developing our proposal. We asked for views and we listened to them.
- It should be pointed out that support for the CEA has also been evident throughout this process.

- I am scheduled to take this Bill through its final stages in the Dáil next week and I will start the process through the Seanad in the first week of November.
- This Bill is an important piece of legislation which, rather than re-shaping the Companies Act 2014, refines it and enhances it in the areas of corporate governance, company law administration, corporate enforcement and supervision and corporate insolvency.
- It will see the introduction of improvements on our company law regime that strike a balance between providing flexibility to companies to efficiently conduct their business on the one hand, and by also securing compliance with provisions designed to protect on the other.
- It will assist small and micro companies by removing the automatic loss of the audit exemption for late filing with the CRO – saving time and money for thousands of Irish companies.

- It introduces amendments to better ensure the integrity, accuracy and consistency of information included on the Register of Companies.
- The Registrar will now have the power to pursue involuntary strike-off of companies where there is no registered office or no company secretary and where companies do not meet their filing obligations in relation to beneficial ownership.
- In terms of the CEA this Bill will augment the CEA's powers by extending the statutory gateway allowing the CEA to disclose and receive information from other investigative and regulatory bodies, it will receive certain information now directly from the courts. Certain procedures have been streamlined to deliver time and cost efficiencies for the CEA and those who interact with them.
- Importantly and highlighting the importance of the work of the CEA, a new offence of obstructing, impeding or interfering with an officer of the CEA has been created.

- These changes reflect my own commitment and indeed Government's commitment to tackling so-called "white collar" crimes.
- You will all be familiar with the Hamilton Review on Economic Crime and Corruption which is a cross-government report examining how best to tackle economic crime and corruption in Ireland and the implementation plan which followed.
- One of the most significant actions in that plan was the establishment of a cross-sectoral, partnership-based Advisory Council against Economic Crime and Corruption at the centre of Government. The Council advises and makes proposals on strategic and policy matters.
- Officials from my own Department and CEA are members of that Council.
- The Advisory Council is currently developing a multi-annual strategy for combatting economic crime and corruption which will be presented to Government in 2025.

- A public consultation is now open to inform the drafting of this strategy and I would encourage you all to participate in that before the closing date of 15th of November.

### **Insolvency**

- I note there are speakers this afternoon who will discuss insolvency and corporate enforcement from the UK's perspective.
- Our Companies Act 2014 underpins Ireland's robust and flexible corporate recovery and insolvency framework.
- It provides a clear restructuring framework for companies and the rights of employees.
- The introduction of the Small Companies Administrative Rescue Process (SCARP) in 2021 was welcomed as a valuable addition to the State's restructuring toolkit for our small company sector which accounts for over 98% of companies and employs in the region of 900,000 people.

- SCARP is providing an effective lifeline to viable small and micro companies that would otherwise go into liquidation, thus maintaining jobs and maximising total value to creditors, many of who are themselves employers. Reports have indicated that through this process 600 jobs were saved by the end of 2023.
- Deriving, in part, from the feedback we received on the public consultation, the new Bill will provide for simple amendments to improve the operation of SCARP.
- We continue to monitor the insolvency environment, in particular as we negotiate INSOL III – the EU Directive to harmonise certain aspects of insolvency law.
- It has not come as a surprise to us that the proposal involves highly prescriptive measures that do not sit easily with common law legal codes and so officials from my Department, along with those from the Departments of Justice and Finance, are negotiating hard to ensure we can reach agreement on those aspects of the proposal that are aligned with our robust insolvency framework

- Context is important to our negotiating position. Ireland already has a uniquely robust and comprehensive compliance and enforcement framework which includes the Corporate Enforcement Authority to address corporate wrongdoing which includes director behaviour during insolvency.
- We will continue to develop and adapt to ensure Ireland's corporate insolvency regime remains flexible and sophisticated.

### **Closing Remarks**

- As I leave you today, I would like you to bear in mind the ambition for Ireland to continue to be a best-in-class global business hub supported by strong corporate regulatory compliance that supports Ireland's future competitiveness, sustainability and growth.
- Thank you again to Ian and all the team in the CEA for inviting me and putting together this excellent programme. I hope that you will gain great insight and knowledge from today's speakers and that the presentations foster further discussion.

Go raibh míle maith agaibh go léir.