



Údarás um Fhorfheidhmiú Corparáideach  
Corporate Enforcement Authority

## **Amendments to the Companies Act 2014 from Employment (Collective Redundancies and Miscellaneous Provisions) and Companies (Amendment) Bill 2023**

The Employment (Collective Redundancies and Miscellaneous Provisions) and Companies (Amendment) Bill 2023 (Bill 76 of 2023) was introduced to Dáil Éireann on 27 October 2023 and, on 28 February 2024, moved from Dáil Éireann to Seanad Éireann. The Bill proposes changes to the Companies Act 2014.

Bill 76 of 2023 proposes changes to sections 571, 572, 573, 594, 599, 604, 608 and 610 of the Companies Act 2014. These changes broadly fall within three headings, first, transparency for employees in the winding up of companies, second, changes to the time limits of transactions a court can consider under the unfair preference provisions, and, third, changes to the reckless trading provisions.

Under the first heading, the proposed changes include a requirement on company directors to notify the company's employees directly or by a representative where the company has presented a winding up petition for itself. These proposals would require the court to take into consideration whether the directors notified their employees when considering whether to wind up the company. A provisional liquidator would be required to inform the employees of their appointment. A provisional liquidator or other liquidator would have to inform the employees when they receive a statement of affairs for the company. Finally, under the proposals, the employees would be able to request a copy of that statement of affairs and the liquidator would be required to provide them a copy within a specific timeframe.

Under the second heading, the proposals would allow a court to consider longer time periods for unfair preference claims if the court considered it just and equitable to do so in the circumstances of the transaction. The proposals change the time periods for transactions involving creditors and connected persons.

Finally, under the third heading, the Bill contains proposals to remove the word 'knowingly' from the reckless trading provisions, making it an objective assessment. Further, the proposed changes would mean that a company's officer may be found to be a party to reckless trading if that officer, having regard to their general knowledge, skill and experience or the knowledge, skill or experience reasonably expected of a person in their position, ought to have known that their actions "would be likely cause loss to a company's creditor(s)".