



Oifig an Stiúirthóra um
Fhorfheidhmiú Corparáideach

Office of the Director
of Corporate Enforcement

ODCE Information Notice I/2012/3

Companies (Amendment) (No. 2) Act 1999 (Section 32) Order 2012

S.I. No. 308 of 2012

Introduction

Pursuant to its remit of encouraging compliance with company law, the Office of the Director of Corporate Enforcement has prepared a short summary of the changes introduced by S. I. No. 308 of 2012 which amends by Ministerial Order section 32 of the Companies (Amendment) (No. 2) Act 1999 (the Act) (see Appendix 1 attached). Section 32 of the Act permits certain private companies who satisfy specific conditions in relation to turnover, balance sheet total and number of employees to claim an exemption from the requirement to have their accounts audited. This Ministerial Order increases the limits for companies to avail of the exemption from the requirement to have an audit.

Section 1 states the Order may be cited as the Companies (Amendment) (No. 2) Act 1999 (Section 32) Order 2012 and takes effect from the date of signature 7 August 2012.

Section 2 of the Order amends Section 32(3)(a)(ii) and (iii) of the Act by increasing the turnover limit and balance sheet total for companies to avail of audit exemption as follows:-

- the qualifying amount of turnover is increased to **€8.8 million**, and
- the qualifying balance sheet total is increased to **€4.4 million**.

These new increased qualifying amounts replace the amendments introduced by section 9(1)(b)(i) and (ii) of the Investment Funds, Companies and Miscellaneous Provisions Act 2006.

The thresholds limits for a company to be classified as a small company are now the same as the limits set for a private company to avail of the exemption from the requirement to have an audit.

Exemption from the requirement to have accounts audited

**Section 32(3)(a) Companies (Amendment) (No. 2) Act 1999 as amended by
Ministerial Order 2012 – S.I. No. 308 of 2012**

(3) The conditions mentioned in subsection (1) are that-

(a) In respect of the year concerned-

- (i) the company is a company to which the Act of 1986 applies,
- (ii) the amount of the turnover of the company does not exceed €8.8 million,
- (iii) the balance sheet total of the company does not exceed €4.4 million,
- (iv) the average number of persons employed by the company does not exceed 50,
- (v) the company is not-
 - (I) a parent undertaking or a subsidiary undertaking (within the meaning of the European Communities (Companies: Group Accounts) Regulations, 1992 (S.I. No. 201 of 1992)),
 - (II) a holder of a licence under section 9 of the Central Bank Act, 1971 or a company that is exempt from the requirement under that Act to hold such a licence,
 - (III) a company to which the European Communities (Insurance Undertakings; Accounts) Regulations, 1996 (S.I. No. 23 of 1996) apply,
 - (IV) a company referred to in the Second Schedule [(other than paragraph 18 thereof, or)],
 - (V) a company whose securities are admitted to trading on a regulated market.