



Oifig an Stiúirthóra um
Fhorfheidhmiú Corparáideach
Office of the Director
of Corporate Enforcement

ODCE Information Notice I/2012/4

European Union (Accounts) Regulations 2012

S.I. No. 304 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 scope of the European Union (Accounts) Regulations 2012 (S.I. No. 304 of 2012) which amends section 8(2) of the Companies (Amendment) Act 1986 (the Act)(see Appendix 1 attached). Section 8(2) of the Act sets out the qualifying conditions that a private company must comply with in order to qualify to be treated as a small company. Small companies can avail of a number of exemptions from the provisions relating to the preparation of financial statements. These Regulations increase the maximum thresholds allowing more companies to meet the criteria to be classified as a small company.

Section 1 – states that the Regulations may be cited as the European Union (Accounts) Regulations 2012 and take effect from the date of signature 3 August 2012.

Section 2 of the Regulations amends Section 8(2) of the Act by increasing the balance sheet total and turnover thresholds as follows:-

(2) the qualifying conditions for a company to be treated as a small company in respect of any financial year are as follows:

- its balance sheet total for that year shall not exceed **€4.4 million**, and
- the amount of turnover for that year shall not exceed **€8.8 million**.

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.

Section 8(1) and (2) Companies (Amendment) Act 1986
(as amended by the European Union (Accounts) Regulations – S.I. No. 304 of 2012)

(1) Subject to section 9 of this Act-

- (a) a private company, subject to subsection (1A) shall qualify to be treated as a small company for the purposes of this Act in respect of any financial year of the company if, in respect of that year and the financial year of the company immediately preceding that year, the company satisfies at least two of the conditions specified in subsection (2) of this section, and
- (b) a private company, subject to subsection (1B) shall qualify to be treated as a medium-sized company for the purposes of this Act in respect of any financial year of the company if, in respect of that year and the financial year of the company immediately preceding that year, the company satisfies at least two of the conditions specified in subsection (3) of this section.

(1A) Subsection (1)(a) shall not apply to a private company whose securities are admitted to trading on a regulated market.

(1B) Subsection (1)(b) shall not apply to a private company whose securities are admitted to trading on a regulated market.

(2) The qualifying conditions for a company to be treated as a small company in respect of any financial year are as follows:

- (a) its balance sheet total for that year shall not exceed €4.4 million,
- (b) the amount of its turnover for that year shall not exceed €8.8 million,
and
- (c) the average number of persons employed by the company in that year shall not exceed 50.