

Companies (Miscellaneous Provisions) (Covid-19) Act 2020 extension of the interim period

From [Department of Enterprise, Trade and Employment](#)

Published on 17 December 2020

Last updated on 19 December 2020

- **Companies (Miscellaneous Provisions) (Covid-19) Act 2020 extended to 9 June 2021**
- **continuation of virtual general meetings**
- **threshold at which a company is deemed unable to pay its debts remains at €50,000**
- **extension of examinership to 150 days remains in place**

The interim period of the Companies (Miscellaneous Provisions) (Covid-19) Act 2020 has been extended to 9 June 2021 following Government approval this week. The Act makes temporary amendments to the Companies Act 2014 and the Industrial and Provident Societies Act 1893 to address issues arising as a result of COVID-19.

The Act ensures that 240,000 companies and 950 industrial and provident societies in Ireland can hold their Annual General Meetings (AGMs) and general meetings by electronic means. It also makes provision in respect of business solvency by increasing the period of examinership to 150 days and increasing the threshold at which a company is deemed unable to pay its debts to €50,000. The continuation of these important amendments will provide additional breathing space to struggling businesses.

The Minister for Trade Promotion, Company Regulation and Digital, Robert Troy TD said:

"The extension of the interim period of the Companies (Miscellaneous Provisions) (Covid-19) Act in respect of the Companies Act 2014 and Industrial and Provident Societies Act 1893 to 9 June 2021 was confirmed by Government this week.

"The orders ensure that the changes brought in by the 2020 Act continue to apply and make it easier for businesses to operate during the pandemic. Companies and industrial and provident societies can continue to hold AGMs and general meetings remotely, ensuring they can comply with their statutory obligations while observing the government's public health advice."

He continued:

"More significantly, amendments in respect of insolvency provisions also continue to apply until 9 June 2021. The threshold at which a company is deemed unable to pay its debts and

can be wound up by the courts remains at €50,000. There are local businesses across Ireland still struggling with the financial impacts of the pandemic. It is our responsibility to provide them with breathing space where possible.

"The extension to 150 days in examinership remains in place. It is important that viable companies and co-operatives have sufficient flexibility to restructure and trade through the crisis. Extending this temporary provision gives that. I will continue to review the Companies Acts and make any necessary changes to simplify and improve examinership, liquidation and receivership laws in response to the COVID-19 crisis.

"The interim period was designed to give Government the flexibility it requires to adapt to the evolving nature of the pandemic. Extending this period to 9 June 2021 was the right thing to do and gives certainty to business in what are very uncertain times."

ENDS

Notes

Background

Amendments to the Companies Act 2014

From the onset of the COVID-19 business closures, the Department of Enterprise, Trade and Employment led on proposed amendments to the Companies Act 2014, intended to support companies mitigate the impact that COVID-19 continues to have on the normal operation of business. This included a significant number of representations and extensive engagement with the Company Law Review Group, a statutory advisory body charged with advising the Minister for Enterprise, Trade and Employment on all matters pertaining to company law. Membership of the CLRG is broad and representative of key stakeholders in company law including: the Irish Congress of Trade Unions, the Irish SME Association, the Office of the Director of Corporate Enforcement, the Revenue Commissioners, the Attorney General's Office, the Law Society, the Irish Business and Employers' Confederation, insolvency practitioners, legal practitioners and academics.

This engagement led to the enactment of the Companies (Miscellaneous Provisions) (Covid-19) Act 2020, which was commenced on 21 August 2020.

The temporary measures contained in the Act amend the Companies Act to address both operational issues arising under the Act, along with insolvency measures considered necessary to alleviate pressure on company liquidity with a view to protecting viable businesses and preserving employment. The interim period of the Act has now been extended to 9 June 2021.

Amendments to the Industrial and Provident Societies Act 1893

In parallel, the department engaged with the co-operative movement regarding difficulties facing co-operatives in holding annual general meetings (AGMs) and general meetings in circumstances where public gathering and physical proximity are restricted as a result of the COVID-19 pandemic.

In an effort to identify feasible solutions to both sets of issues, the general approach in relation to the proposed amendments applying to companies was followed closely and adapted where necessary to reflect the unique requirements of co-operatives. The amendments proposed for the Companies Act in relation to examinership will continue to automatically apply to Industrial and Provident Societies.

Features of the Act

The main features of the Act can be broadly summarised as follows, to:

- provide that the measures will be operative for an interim period (this period has now been extended to 9 June 2021)
- provide that both general and creditors' meetings may be held virtually
- allow documents which are required to be executed under seal to be executed in counterpart
- increase the amount at which a statutory demand can be issued from €10/20k to €50k
- extend the examinership process to a total of 150 days (subject to court approval)
- provide the Minister with regulation making power in respect of amending the operational detail of hybrid and virtual general meetings

The main provisions in relation to co-operatives include, to:

- provide that the measures will be operative for an interim period (this period has now been extended to 9 June 2021)
- provide that a general meeting may be held as a hybrid general meeting (a meeting where some of the members attend at the venue or venues specified in the notice of the meeting while others may participate by electronic means) or a fully virtual general meeting
- provide the Minister with regulation making power in respect of amending the operational detail of hybrid and virtual general meetings

As a result of previous amendments to the Industrial and Provident Societies Acts in 1978 and 2014, the company law proposals on examinership and creditors meetings automatically apply to co-operatives.

The Department of Enterprise, Trade and Employment (DETE) plays a key role in implementing the government's policies of stimulating the productive capacity of the economy and creating an environment which supports job creation and maintenance. The department has lead responsibility for Irish policy on global trade and inward investment and a remit to promote fair competition in the marketplace, protect consumers and safeguard workers.

For further information please contact the Press Office, Department of Enterprise, Trade and Employment: press.office@enterprise.gov.ie or (01) 631 2200.

A comprehensive listing of supports, grants, and advice available to businesses affected by COVID-19 is available at enterprise.gov.ie/coronavirus.

