



Small Companies Regime

**Guidance notes arising from 2017
revisions to Irish Company Law**

June 2017

Revisions to Irish company law arising from the implementation of the Companies (Accounting) Act 2017

Guidance notes on small companies regime

This document outlines the key differences impacting financial statements introduced into the Companies Act 2014 by the Companies (Accounting) Act 2017 in respect of a company qualifying for the small companies regime, as a result of the transposition into Irish Law of the EU Accounting Directive 2013/34/EU and some other minor amendments. Where appropriate, the relevant sections of both Acts have been noted for information purposes.

This document, published in June 2017, is based on our interpretation of the Companies (Accounting) Act 2017. It frequently paraphrases the source document and thus, although it seeks to be comprehensive, reference must be made to the source document on any point of doubt or difficulty, and also to put the requirements in their proper context. The information contained in this document is general in nature and is not intended to address the circumstances of any particular entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.

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1. Introduction

The Companies (Accounting) Act 2017 ('Act of 2017') was signed into Irish law on 17 May 2017. Its main purpose was to transpose the EU Accounting Directive 2013/34/EU ('the Accounting Directive') into Irish Law. It amends Part 6 of the Companies Act 2014 ('Act of 2014') to give effect to the provisions in the Accounting Directive relating to the annual financial statements and related reports of companies, including the introduction of optional simplified regimes for small and micro companies. The Act of 2017 also incorporates some other miscellaneous amendments to amend and clarify provisions in the Act of 2014.

Section 15 of the Act of 2017 has introduced a simpler financial reporting regime for small companies through the insertion of a new Chapter 1A into the Act of 2014, the amendment of various sections of the Act and the insertion of new Schedules 3A and 4A specifically designed for small companies⁽¹⁾.

These guidance notes summarise the requirements in respect of small companies choosing to use the small companies regime under Irish company law. These notes also explain how the new small company Section 1A of the Financial Reporting Council's ('FRC's') standard, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') fits in with the small companies regime legal requirements.

2. Commencement

The legislation giving effect to the commencement of the Act of 2017 is set out in S.I. No. 246 of 2017 'Companies (Accounting) Act 2017 (Commencement) Order 2017', amended by S.I. No. 250 of 2017 'Companies (Accounting) Act 2017 (Commencement) (NO. 2) Order 2017'. All requirements in relation to the small and micro companies regimes are available for early adoption in financial statements relating to financial years beginning on or after 1 January 2015 (although in practice most 2015 financial statements will already have been filed, but the regimes will be available for most 2016 year ends as those financial statements may not yet have been approved), and are mandatory for financial statements of financial years beginning on or after 1 January 2017. The miscellaneous amendments to adjust various other provisions of the Act of 2014 are effective from the date of commencement of the legislation, being 9 June 2017. The commencement of certain specific provisions (such as the requirement for certain designated unlimited companies to file financial statements) has been deferred. Commencement details for such specific provisions (which are unlikely to be of relevance to a small company availing of the small companies regime) are outlined in Section 2 of the separate guidance notes for medium and large companies.



⁽¹⁾ Sections 280A, 280B and 280C deal with qualification of a company as small. Amendments to various other sections of the Act, including new Schedules 3A and 4A inserted by the Act of 2017 detail the required accounting principles, form and content of financial statements of a small company and of a small group.

3. Qualification of a company as a small company, including defining a small group

3.1 Small company / group qualifying conditions – size test

Subject to (i) the various criteria set out below and (ii) the exclusions set out in Section 3.2, the small companies regime is available to a private company (or holding company of a private group) in relation to a financial year in which it fulfils **two or more** of the qualifying conditions set out in the table below, generally for at least two consecutive financial years:

	Qualifying condition – Individual company ^(a)	Qualifying condition – Group ^{(a)(d)}
Turnover^{(b)(c)}	<= €12m	<= €12m net (€14.4m gross) ^(d)
Balance sheet total^(b)	<= €6m	<= €6m net (€7.2m gross) ^(d)
Average number of employees^(b)	<= 50	<= 50

- (a) A holding company is small only if the group it heads up is a small group.
- (b) Turnover, balance sheet total and the average number of employees are determined by aggregating the equivalent figures for each member of the group.
- (c) The turnover criterion is adjusted proportionally if the financial year is less than or greater than 12 months.
- (d) 'Net' means after set offs and other adjustments made to eliminate group transactions. 'Gross' means without those set-offs and other adjustments. The qualifying conditions must be met on **either** a net or a gross basis.

The previous thresholds for a small company under the Act of 2014 were €8.8m for turnover and €4.4m for balance sheet total, while the average number of employees was the same at 50.

First financial year

A private individual company qualifies to be treated as a small company in relation to its first financial year if the qualifying conditions are satisfied in respect of that year. Similarly, a group qualifies to be treated as a small group in relation to the first financial year of the holding company if the qualifying conditions are satisfied in respect of that year. A private holding company is small only if the group it heads up is a small group.

Subsequent financial year

A private company / group qualifies to be treated as a small company / group in relation to a subsequent financial year if:

- The qualifying conditions are satisfied in respect of that year and the preceding financial year, or
- The qualifying conditions are satisfied in respect of that year and the company / group qualified as a small company / small group in relation to the preceding financial year, or
- The qualifying conditions were satisfied in the preceding financial year and the company / group qualified as a small company / group in relation to that preceding year.

In summary, where a company / group does not meet two of the qualifying conditions in the current financial year, but was under the thresholds in the prior year it can still qualify as small. However, where a company / group fails to meet two of the criteria for two consecutive years, it will not qualify in the second of those financial years.

3.2 Specific exclusions from qualification as a small company / group

Small individual company

Despite meeting the size test criteria in 3.1 above, 'ineligible entities' cannot be small companies.

'Ineligible entities' include undertakings that –

- Have transferable securities admitted to trading on any EU regulated market
- Are credit institutions (see below)
- Are insurance undertakings
- Are various other undertakings, most of which are regulated by the Central Bank of Ireland⁽²⁾ and
- Are other undertakings that are designated as public interest entities (PIEs) either in Ireland or in another EU member state.

The Act of 2017 amends the definition of a 'credit institution' to state that a credit institution means an undertaking the business of which is to take deposits or other repayable funds **from the public** and to grant credit for its own account. The Act of 2014 did not restrict the definition of a credit institution to taking deposits 'from the public' and, therefore, may have been interpreted too broadly such that a group company taking deposits from other group entities may have been considered a credit institution.

Small holding company

A holding company of a group cannot qualify as small if any member of the group is an 'ineligible entity'.

(2) These regulated undertakings are set out in Schedule 5 of the Act of 2014 – See Appendix 3.

4. Options available to small companies in the preparation of their financial statements

The following options are available for qualifying small companies in the preparation of their financial statements:

Option		Irish Company Law	Accounting Standards	KPMG Guidance Notes
1	Opt into the small companies regime	Small companies regime	Section 1A, FRS 102	Guidance notes in this document on the small companies regime
2	Opt to apply the requirements that apply to other companies	Medium / Large companies	FRS 102, FRS 101 or EU IFRS	Separate guidance notes for medium / large companies

The remainder of this document focuses on small companies opting into the small companies regime (option 1 above). Information relating to medium / large companies is set out in a separate KPMG publication.

It does not specifically address the disclosure requirements of a company that qualifies as a small holding company but chooses to prepare group financial statements. Where this is the case, the formats and content in Schedule 4A of the Act of 2014, inserted by the Act of 2017, should be applied.

5. Summary of main features of the small companies regime

The main features of the small companies regime are:

- Subject to the true and fair view, a limited number of notes to the financial statements are mandated in company law under the small companies regime, and these are summarised in Appendix 1
- A holding company that qualifies for the small companies regime is exempt from the requirement to prepare group financial statements
- While a company that qualifies for the small companies regime is required to prepare a directors' report, it is exempt from the requirement to give a business review and to describe its use of financial instruments
- The formats of the financial statements are the same as those required for larger companies. The formats may also be adapted in the same manner as for larger companies (for example, the balance sheet can be adapted to distinguish between current / non-current items as is currently required under IFRS)
- Small companies may still file abridged financial statements. However, the note disclosure requirements in respect of abridged financial statements have increased.

6. General requirements for statutory financial statements of a small company

6.1 True and fair view

The financial statements of small companies must, under company law, present a true and fair view. Therefore, despite the fact that only a limited number of notes to the financial statements are mandated by company law under the small companies regime, there is an onus on directors to apply judgement when considering whether further disclosures may also be required in order for the financial statements to give a true and fair view.

6.2 Exemption from consolidation

A holding company that qualifies for the small companies regime is exempt from the requirement to prepare group financial statements.

The consolidation exemption that was previously available to medium groups under the Act of 2014 is no longer available. Some previous medium groups will now qualify as small groups as a result of the increase in the thresholds and so will continue to be able to avail of a consolidation exemption.

6.3 Financial reporting standards applicable to small companies

Eligible companies choosing to use the small companies regime prepare their statutory financial statements in accordance with the small companies regime set out in company law in addition to applying the guidance in Section 1A of FRS 102 on recognition and measurement. However, Sections 1AA.2 and 1AB.2 of FRS 102 cannot be applied by Irish companies as the option to further abridge balance sheets and profit and loss accounts in the statutory financial statements of small companies is not available under Irish law (See Section 8 of this document).

6.4 Directors' report

Small companies are exempt from the requirement to provide:

- Information on use of financial instruments (as otherwise generally required by Section 326(3) of the Act of 2014)
- A business review. However, where it chooses to present a business review, it need not disclose non-financial key performance indicators (as otherwise generally required by Section 327(3)(b) of the Act of 2014).

There is a new requirement to provide additional information in respect of acquisitions or disposals of own shares.

6.5 Accounting and measurement principles applicable to small companies

The Act of 2014, as amended by the Act of 2017, sets out requirements as to the measurement bases to be applied by companies availing of the small companies regime. These requirements combined with those set out in FRS 102's Section 1A (which in some instances limit the options available in company law) need to be considered.

6.6 Format and disclosure requirements applicable to small companies

The accounting principles, formats and disclosures required in the entity financial statements of a small company adopting the small company regime are outlined in Schedule 3A, inserted by the Act of 2017.

Some of the key changes to the accounting principles and disclosure requirements arising from the Act of 2017 include:

- Appropriation of profit note required either at the foot of the profit and loss account, on the face of the balance sheet or as a note to the financial statements
- Where the useful life of goodwill acquired, development costs or other intangible assets cannot be reliably estimated, the period chosen must not exceed more than 10 years
- No reversals of impairment adjustments on goodwill permitted
- Equity accounting permitted in individual entity financial statements for participating interests in associates
- Financial instruments may be accounted for at fair value to the extent they qualify for fair value accounting under **current** EU IFRS; previously the legislation referred to the relevant IFRS standard as endorsed in 2006

- Directors' remuneration disclosures expanded to capture payments to third parties for services of directors
- Requirement for disclosure of holdings of own shares or shares in holding undertakings expanded to capture where 'a person acting in their own name but on behalf of the company' holds shares or an interest in shares in the company or its holding undertaking and additional disclosures required for all holdings
- Definition of subsidiary amended to state that in determining whether a company is a subsidiary of another company, any shares held or power exercisable by any person acting in that person's own name but on behalf of that other company, should be treated as being held or exercisable by that other company
- Conditions for use of merger accounting have been revised to be based on the concept of common control transactions
- Some terminology and other minor amendments within the formats.

Aside from the required profit and loss account and balance sheet formats, there are less note disclosures than were required previously under the Act of 2014. These prescribed disclosures are outlined in Appendix 1. As explained in Section 6.1 of this document, additional disclosures may arise in order for the financial statements to give a true and fair view. However, it should be noted that the provisions of Schedule 3A, inserted by the Act of 2017, need not be complied with where the amounts are not material for the purpose of giving this true and fair view.

Appendix 2 sets out further detail on the new small companies regime financial reporting requirements, showing the references to the Act of 2014, as amended by the Act of 2017, and the requirements are presented to show separately:

- amendments that are mandatory, where the relevant circumstances apply;
- provisions that provide flexibility; and
- provisions that are no longer required.



6.7 Approval and signing of statutory financial statements

The balance sheet should contain in a prominent position above the signature(s) of the director(s), a statement that the statutory financial statements have been prepared in accordance with the small companies regime.

6.8 Filing of financial statements – Abridged financial statements

The statutory financial statements prepared under the small companies regime and approved by the directors may, for filing purposes, be abridged. The full statutory financial statements must still be prepared and approved by the directors, and the abridged financial statements should be drawn from these statutory financial statements.

There is no requirement for these abridged financial statements to include the profit and loss account. However, the full statutory balance sheet and all notes to the statutory financial statements, including any notes that relate to profit and loss account items, must be retained. This represents a change from the abridged filing requirements for small companies set out previously in the Act of 2014 as, aside from having to file the full statutory balance sheet, only certain limited note disclosures were previously required from small companies.

Where a company has opted in its full statutory financial statements to include the appropriation of profit (as permitted by Schedule 3A, paragraph 48 introduced by the Act of 2017), on the face of its profit and loss account, it must provide this information in a note to its abridged financial statements.

There is no requirement to file a directors' report even where a company has opted to prepare one.

As was the case under the Act of 2014, a holding company of a small group that elects to prepare group financial statements cannot file abridged financial statements.

7. Audit related requirements for small companies

7.1 Exemption from audit for small companies / groups

Small companies / groups that qualify for the small companies regime may be able to avail of the audit exemption. However, when assessing the size thresholds for audit exemption purposes, the wider group including all higher holding undertakings and fellow subsidiaries must be included, irrespective of the country of incorporation of all such higher holding undertakings. Various additional criteria (that already exist under current law) must also be met.

These other criteria include:

- ensuring that a notice requesting an audit (under Section 334 of the Act of 2014), has not been served

by members holding one-tenth or more of the voting rights in the company / holding company, and

- that the company's / holding company's (and the other members of the group) annual return(s) with financial statements attached (as required by Section 363 of the Act of 2014, amended by Section 60 of the Act of 2017) is(are) filed on time (in accordance with Section 343 of the Act of 2014) in respect of the financial year in question and the preceding financial year.

In addition, a 'relevant securitisation company' (as defined in Section 362 of the Act of 2014) cannot qualify for the audit exemption in relation to its individual financial statements and similarly the presence of such an entity within a small group will also preclude all of the members of that group from availing of an audit exemption.

7.2 Statutory auditors' report

Where an audit is required or the exemption is not availed of, Regulation 9(b) of the Statutory (Audits) Regulations 2016⁽³⁾ extended the requirements of Section 366 of the Act of 2014 by requiring that the auditors give opinions as to whether:

- the directors' report has been prepared in accordance with applicable legal requirements, and
- based on their knowledge and understanding of the company and its environment obtained during the course of the audit, the auditors have identified any material misstatements in the directors' report and if so to provide an indication of the nature of such misstatements.

8. Key differences for small companies between Irish and UK law arising from the transpositions of the EU Accounting Directive

The transpositions of the EU Accounting Directive into UK and Irish laws are not identical in all respects due in part to differences in relation to the member state options selected. The following are the principal areas where there is an inconsistency between Irish and UK law:

- Directors' remuneration disclosures are required for small Irish companies
- The options for small UK companies to further abridge balance sheets and profit and loss accounts in their statutory financial statements are not available to Irish companies, and therefore the guidance in paragraphs 1AA.2 and 1AB.2 of FRS 102 on this matter cannot be applied by Irish companies
- There is no provision under Irish law for stock to be carried at fair value (and therefore paragraph 13.3 of FRS 102 cannot be applied without a true and fair view override).

(3) S.I. 312 of 2016 – European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No. 537/2014) Regulations 2016 is applicable to financial statements for financial years commencing on or after 17th June 2016.

9. Other matters

9.1 Prior year comparatives in financial statement notes

The exemption in relation to providing comparative amounts for movements in tangible assets, intangible assets and financial assets has been reinstated to be consistent with what was in the legislation prior to the Act of 2014.

9.2 Not for profit companies – format of profit and loss account

There is a new clarification in respect of 'Not for profit' companies acknowledging their ability to prepare an 'income & expenditure account' instead of a 'profit and loss account' (Section 274 of the Act of 2014, amended by Section 11 of the Act of 2017).

9.3 Group reorganisations

The legal ability to apply merger accounting has changed and now permits its use in the case of 'common control' transactions. Previously, the legal ability to use merger accounting was restricted to essentially share for share transactions (ie the cash consideration had to be less than 10% of the nominal value of the shares issued). This will now permit merger accounting in cases where the consideration is cash or intercompany balances, provided the other criteria are met.

9.4 Other amendments

The Act of 2017 introduces a number of other amendments that have not been specifically covered in this document as it is unlikely that they will be of relevance to companies availing of the small companies regime. Such items include the requirement for designated unlimited companies, investment companies, UCITS plc corporates and certain external companies with Irish branches to file financial statements. Also there is an extension of the existing Section 72 merger relief to the acquisition by Irish companies of body corporates established in any jurisdiction. Further information on such items is available in Sections 6 and 7 of the separate guidance notes for medium and large companies.



Appendix 1 - Small Companies Regime:

Notes required in the entity statutory financial statements

Note disclosures	Reference to Appendix 2 for guidance	Act of 2014 (amended or inserted by the Act of 2017) reference *
Accounting principles and policies, and changes to accounting policies, general rules and formats	A2.1	s321 [s37 Act of 2017]; Sch 3A, 12-19; Sch 3A, 3(2); s291(6); s291(7)
Particulars of company / holding company	A5.2, A5.7	s291(3a) [s17(b) Act of 2017] Sch 3A, 58
Directors' remuneration	A3.1 – A3.2	s305 [s26 Act of 2017] s305A [s27 Act of 2017] s306 [s28 Act of 2017]
Directors' and Officers' (non-director) transactions: loans, quasi-loans, credit transactions and guarantees	A4.1	s307-s308 [s29 Act of 2017] s309 [s30 Act of 2017]
Number of employees	A5.3	s317(1)(a) [s33 Act of 2017]
Exceptional items	A2.4	Sch 3A, 53
Appropriation of profit (if not presented in the profit and loss account or balance sheet) and movement in revaluation reserves	A2.3	Sch 3A, 48 Sch 3A, 49
Value adjustments for impairment or diminution in value of fixed assets	A2.4	Sch 3A, 23
Movements in fixed assets (note: no comparative amounts are required)	B1.3	Sch 3A, 45 Sch 3A, 5(2)
Financial commitments, guarantees and contingencies	A5.4, C3.1	Sch 3A, 51
Assets pledged / liabilities secured	-	Sch 3A, 50(2)
Creditors: Amounts owed over five years	C2.5	Sch 3A, 50(1)
Related party transactions with directors, subsidiaries, holding companies, associates, joint ventures and key shareholders	A5.6	Sch 3A, 55
Off-balance sheet arrangements	C3.5	s323 [s39 Act of 2017]
Holding of own shares or shares in holding undertaking	A5.5	s320 [s36 Act of 2017]
Events after the end of the reporting period	A5.8	Sch 3A, 56
Explanation of amortisation period of goodwill	A2.8	Sch 3A, 25(4)
Interest on borrowing costs capitalised	-	Sch 3A, 29(3)(b)
Development costs capitalised	-	Sch 3A, 24(2)
Revalued fixed assets (under alternative accounting rules)	C2.2	Sch 3A, 33(3), 34(3), 35(2) and (3)
Financial instruments, investment property, living animals and plants, at fair value	A2.5	Sch 3A, 46-47 Sch 3A, 38(1)
Tax treatment of amounts credited or debited to revaluation reserve	-	Sch 3A, 36(6)
Particulars of assets and liabilities that are linked to each other or that have been offset	A2.4, A2.6, A2.8	Sch 3A-4(7) Sch 3A-7

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and in italics).

Appendix 2: Principal entity financial statement changes under the small companies regime

Section A - Provisions that are mandatory (where the relevant circumstances arise)

A1 Directors' report content		Act References*
A1.1	Directors' report – Acquisition or disposal of own shares <ul style="list-style-type: none"> Disclose reasons for any acquisitions made during financial year and the proportion of called up share capital held at the beginning and end of the financial year. 	s328(iii),(iv) <i>[s44(c) Act of 2017]</i>
A2 Accounting policies, profit and loss account and balance sheet		Act References*
A2.1	Accounting principles and policies and changes to accounting policies <ul style="list-style-type: none"> Some minor amendments to accounting principles and disclosures required where changes to accounting policies are adopted. 	Sch 3A-13 Sch 3A-18 s321(3) <i>[s37 Act of 2017]</i>
A2.2	Profit and loss account – formats and terminology <ul style="list-style-type: none"> Previous 4 formats now reduced to the most commonly used 2 formats and some minor wording and terminology amendments. Concept of extraordinary items no longer exists. 	Sch 3A-10
A2.3	Profit and loss account – appropriation of profit <ul style="list-style-type: none"> Appropriation of profit required by Schedule 3A-48 to be included either at the foot of the profit and loss account, the face of the balance sheet or in a note. 	Sch 3A-10 (note 12) Sch 3A-48
A2.4	Profit and loss account - other <ul style="list-style-type: none"> No reversal of value adjustment on goodwill is permitted. More specific disclosures in relation to exceptional items. Instances where set off of revenue and expenses is permitted are clarified. 	Sch 3A-25(5) Sch 3A-53 Sch 3A-7
A2.5	Profit and loss account – changes in fair value <ul style="list-style-type: none"> Financial Instruments may be accounted for at fair value to the extent they qualify for fair value accounting under current EU IFRS (provided that the equivalent disclosures to those in IFRS are provided). 	Sch 3A-38(1)
A2.6	Balance sheet – formats and terminology <ul style="list-style-type: none"> Disclosure of relationship of an asset or liability to other items where an asset or liability relates to more than one item (either under the items where it is shown or in the notes) Some minor wording and terminology amendments. 	Sch 3A-4(7) Sch 3A-10
A2.7	Balance sheet – Statement of preparation: small companies regime <ul style="list-style-type: none"> The balance sheet should contain in a prominent position above the signature(s) of the director(s), a statement that the statutory financial statements have been prepared in accordance with the small companies regime. 	s324(4A) <i>[s40(c) Act of 2017]</i>
A2.8	Balance sheet – other <ul style="list-style-type: none"> Where in exceptional circumstances, the useful life of acquired goodwill, development costs or other intangible assets cannot be reliably estimated, the period chosen for depreciation must not exceed 10 years. There are no longer alternative accounting rules for stocks. Instances where set off of assets and liabilities is permitted are clarified. 	Sch 3A-25(3) Sch 3A-33 Sch 3A-7

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and in italics).

Section A - Provisions that are mandatory (where the relevant circumstances arise) (contd.)

A3 Directors' remuneration		Act References*
A3.1	Payments to third parties for services of directors <ul style="list-style-type: none"> New disclosures required in respect of any consideration paid to, or receivable by, third parties for making available the services of any person who is either a director of the company (or any of its subsidiary undertakings), or otherwise in connection with the management of the company's affairs (or the affairs of its subsidiary undertakings). 	s305A [s27 Act of 2017]
A3.2	Definition of share options <ul style="list-style-type: none"> Clarified to include shares that are puttable in cash. 	s305(6) [s26(c) Act of 2017]
A4 Directors' and officers' transactions		Act References*
A4.1	Particulars of disclosure <ul style="list-style-type: none"> For disclosure of particulars of arrangements or agreements comprising loans, quasi-loans, credit transactions and guarantees, the 'Maximum amount outstanding under the arrangements' is replaced with a new requirement to instead disclose 'Amounts outstanding under the arrangements waived'. 	s307(3)(f) [s29 Act of 2017]
A5 Other notes to the financial statements		Act References*
A5.1	Presentation of notes to the financial statements <ul style="list-style-type: none"> The notes should be presented in the order in which, where relevant, the items to which they relate are presented in the balance sheet and profit and loss account. 	Sch 3A-43(2)
A5.2	Particulars in respect of the company <ul style="list-style-type: none"> Particulars in respect of the company notably (i) name and legal form, (ii) place of registration and registered number, (iii) address of registered office, and (iv) where company is being wound up, the required information in respect of notification of liquidation. 	s291(3A) [s17(b) Act of 2017]
A5.3	Particulars of staff <ul style="list-style-type: none"> Only required to disclose the average number of persons employed by the company (no sub-analysis by category required). 	s317(7A)(a),(b)) [s33(b) Act of 2017]
A5.4	Commitments <ul style="list-style-type: none"> Expanded disclosures to include details of significant assumptions underlying valuation models for retirement benefit obligations. However less detail required on general scheme information. Separate disclosure required of the aggregate amount of any commitments, guarantees or contingencies undertaken on behalf of, or for the benefit of, any undertaking in which the company has a participating interest. 	Sch 3A-51(4),(5) Sch 3A-51(7)(c)
A5.5	Holding of own shares or shares in holding undertaking <ul style="list-style-type: none"> Requirement for disclosure expanded to capture situations where a 'person acting in their own name but on behalf of the company' holds shares or an interest in shares in the company or its holding undertaking. Additional disclosures are required, including a reconciliation of movements during the year. 	s320(1),(2),(3) [s36(d) Act of 2017] s320(4) [s36(d) Act of 2017]
A5.6	Related party transactions <ul style="list-style-type: none"> Disclosure particulars apply to a narrower range of related parties, being, (i) holders of participating interests in the company, (ii) undertakings in which the company holds a participating interest and (iii) directors of the company or holding company. 	Sch 3A-55(4)
A5.7	Particulars of higher holding undertaking – smallest group <ul style="list-style-type: none"> In respect of the disclosure of particulars of the holding company of the smallest group of undertakings for which group financial statements are prepared and which consolidates the company, the disclosure requirement in respect of the location of that holding undertaking is to provide the address of its registered office in the county in which it is incorporated. Previous requirement was to state the country of its incorporation only. 	Sch 3A-58(1),(3)
A5.8	Events after the end of the financial year <ul style="list-style-type: none"> Particulars and financial impact of material events that occurred after the end of the financial year. 	Sch 3A-56

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and in italics).

Section B - Provisions that provide flexibility

B1 Profit and loss account and balance sheet		Act References*
B1.1	Profit and loss account – adaptation of formats <ul style="list-style-type: none"> Option to prepare a statement of performance instead of a profit and loss account permitting an adaptation to formats, provided the necessary disclosures are made. Profit and loss account may include subtotals where their inclusion facilitates the assessment of profit or loss. 	Sch 3A-2(3) Sch 3A-4(3)
B1.2	Balance sheet – adaptation of formats <ul style="list-style-type: none"> Option to adapt balance sheet formats to distinguish between current and non-current items, provided the necessary disclosures are made. Balance sheet may include subtotals where their inclusion facilitates the assessment of the financial position. 	Sch 3A-2(2) Sch 3A-4(3)
B1.3	Balance sheet – Fixed assets: comparatives <ul style="list-style-type: none"> Exemption in relation to providing comparative amounts for movements in tangible, intangible and financial assets reinstated. 	Sch 3A-5(2)
B2 Associated undertakings		Act References*
B2.1	Associated undertakings – equity method in entity financial statements <ul style="list-style-type: none"> Associated undertakings may be accounted for by way of the equity method of accounting in entity financial statements. Where this is the case, any goodwill arising should be dealt with in accordance with the normal accounting for goodwill rules under company law. Where the cumulative profit attributable to participating interests recognised in the profit or loss account exceeds the cumulative amount of dividends received, the difference should be shown in a separate non-distributable reserve. 	Sch 3A-33(4) Sch 3A-37(1) Sch 3A-37(3)

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and in *italics*).



Section C - Disclosure items no longer required (unless necessary for giving a true and fair view)

All **Schedule** references in this Section are to the previous provisions that existed in the Act of 2014.

C1 Directors' report content		Act References*
C1.1	Business review <ul style="list-style-type: none"> No requirement to include a business review (as otherwise generally required by Section 327 of the Act of 2014). However, where a company chooses to provide a business review, it need not disclose non-financial key performance indicators (as otherwise generally required by Section 327(3)(b) of the Act of 2014). 	s325(1A(a)) <i>[s41(b) Act of 2017]</i> s327(1A) <i>[s43(b) Act of 2017]</i>
C1.2	Information on use of financial instruments <ul style="list-style-type: none"> No requirement to disclose information on use of financial instruments (as otherwise generally required by Section 326(3) of the Act of 2014). 	s327(3A) <i>[s43(c) Act of 2017]</i> s326(3A) <i>[s42(b) Act of 2017]</i>
C2 Profit and loss account and balance sheet		Act References*
C2.1	Profit and loss account <ul style="list-style-type: none"> Concept of extraordinary activities no longer exists. Segmental information in relation to turnover. Expenditure on R&D costs. Sub-analysis of interest payable and similar expenses. Disclosure of income from listed and unlisted investments. Taxation charge disclosures (i.e. basis on which tax is computed, analysis of charge between components of tax etc.). 	Sch 3-66(2), 64(4) Sch 3-65 Sch 3 66(4),(5) Sch 3-63(a) Sch 3-63(b) Sch 3-64
C2.2	Balance sheet – fixed assets <ul style="list-style-type: none"> In the case of any item valued under the alternative accounting rules, the information on valuers is no longer required. 	Sch 3-49
C2.3	Balance sheet – financial assets <ul style="list-style-type: none"> Amounts that are listed, and the disclosure of the fair value of such listed investments where it differs to balance sheet amount. Disclosures where a value adjustment for diminution in value has not been made in respect of assets that have not been fair valued and are held at an amount in excess of fair value. 	Sch 3-50 Sch 3-53
C2.4	Balance sheet – investments held as current assets <ul style="list-style-type: none"> Amounts that are listed, and the disclosure of the fair value of such listed investments where it differs to balance sheet amount. 	Sch 3-50
C2.5	Balance sheet – creditors <ul style="list-style-type: none"> Analysis of the amount of debts payable or repayable by instalments separately from those not by instalments and related terms of repayment & rates of interest. Terms and conditions under which loans are convertible to shares. Disclosures in relation to issuance of debentures. Sub-analysis of taxes and social insurance. 	Sch 3-58(1),(2),(3) Sch 3-10 (note 4) Sch 3-47(1),(2) Sch 3-10 (note 6)
C2.6	Balance sheet – deferred income <ul style="list-style-type: none"> Separate disclosure of government grants included within deferred income. 	Sch 3-10 (note 7)
C2.7	Balance sheet – provisions for liabilities <ul style="list-style-type: none"> Particulars of movements in the year. Separate disclosure of provisions for deferred taxation. 	Sch 3-56 Sch 3-57

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and in italics).

Section C - Disclosure items no longer required (unless necessary for giving a true and fair view (contd.))

C2 Profit and loss account and balance sheet (contd.)		Act References*
C2.8	Balance sheet – dividends <ul style="list-style-type: none"> Aggregate amount of dividends proposed. Disclosures in respect of arrears of fixed cumulative dividends on company's shares presented as a liability and other shares. 	Sch 3-55(2) Sch 3-59
C2.9	Balance sheet – reserves and provisions <ul style="list-style-type: none"> Tabular movement in reserves and provisions. Disclosure in a note of the treatment for tax purposes of amounts credited / debited to fair value reserve. 	Sch 3-56(1),(2) Sch 3-44(4)
C3 Other notes to the financial statements		Act References*
C3.1	Commitments <ul style="list-style-type: none"> Quantitative disclosure of the aggregate amount or estimated amount of capital expenditure authorised by the directors which has not yet been contracted for. Commitments in respect of R&D. 	Sch 3-60(3)(b) Sch 3-66(4),(5)
C3.2	Information on related undertakings <ul style="list-style-type: none"> Disclosures in respect of information on related undertakings as otherwise required by Section 314 of the Act of 2014. 	s314(2A) <i>[s31(c) Act of 2017]</i>
C3.3	Share capital / Purchase of own shares / Debentures <ul style="list-style-type: none"> Particulars of authorised and allotted share capital and related movements. Details in relation to financial assistance for purchase of own shares. For debentures held by a subsidiary undertaking in its holding undertaking, the number, description, and amount of debentures held. 	s318(9) <i>[s34(b) Act of 2017]</i> s319(4) <i>[s35(c) Act of 2017]</i> Sch 3-71
C3.4	Derivatives not accounted for at fair value <ul style="list-style-type: none"> Disclosures in relation to derivatives not accounted for at fair value (i.e. the fair value of derivatives in each class, extent and nature of derivatives etc.). 	Sch 3-52
C3.5	Off-balance sheet items <ul style="list-style-type: none"> Financial impact of any arrangements not on the balance sheet (the disclosure of their nature and business purpose is still required). 	s323(1A(a)) <i>[s39(b) Act of 2017]</i>
C3.6	Holding company – particulars in respect of subsidiary undertakings <ul style="list-style-type: none"> Particulars previously required in the entity financial statements of holding company in respect of subsidiary undertaking, where the holding company (i) did not prepare group financial statements, or (ii) prepared group financial statements that did not consolidate one or more subsidiaries (e.g. reasons why subsidiaries not consolidated, total investment of holding company in shares of subsidiary undertakings held by way of equity method of accounting etc.). 	Sch 3-73
C3.7	Particulars of higher holding undertakings - largest higher group <ul style="list-style-type: none"> In respect of the disclosure of particulars of the holding company previously required under Sch 3-72(2)(3) of the Act of 2014, the particulars in relation to the largest group of undertakings for which group financial statements are prepared and which consolidates the company. 	Sch 3-72(1)(a)

* Where a provision in the Act of 2014 has been amended by the Act of 2017 (non-Schedule items only, as Schedule 3A has been newly inserted by the Act of 2017 in full), both legal references have been provided (with the Act of 2017 reference identified in square brackets and italics).

Appendix 3:

Schedule 5, Companies Act 2014

INELIGIBLE ENTITIES – Various other undertakings most of which are regulated by the Central Bank of Ireland

1.	A company that is an authorised investment firm within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007).
2.	A company that is an authorised market operator.
3.	A company that is an associated undertaking or a related undertaking, of an authorised investment firm or an authorised market operator, within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007).
4.	A company to which Chapter VII, VIII or IX of Part II of the Central Bank Act 1989 applies.
5.	A company that is engaged in the business of accepting deposits or other repayable funds or granting credit for its own account.
6.	A company that is an associated body of a building society within the meaning of the Building Societies Act 1989.
7.	A company that is an associated enterprise of a credit institution within the meaning of the European Communities (Credit Institutions) (Consolidated Supervision) Regulations 2009 (S.I. No. 475 of 2009).
8.	An investment company within the meaning of Part 24.
9.	A company that is a management company, trustee or custodian within the meaning of Part 24 or of Part 2 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005.
10.	A company that is an undertaking for collective investment in transferable securities within the meaning of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011).
11.	A company that is a management company or trustee of an undertaking for collective investment in transferable securities within the meaning of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011).
12.	A company that is a management company or trustee of a unit trust scheme within the meaning of the Unit Trusts Act 1990.
13.	A company that is a general partner or custodian of an investment limited partnership within the meaning of the Investment Limited Partnerships Act 1994.
14.	A company that has close links (within the meaning of the European Union (Capital Requirements) Regulations 2014 (S.I. No. 158 of 2014)) with an authorised investment firm referred to in paragraph 1 or a company referred to in paragraph 5.
15.	Any other company the carrying on of business by which is required, by virtue of any enactment or instrument thereunder, to be authorised by the Central Bank.
16.	A company that is the holder of an authorisation within the meaning of (a) Regulation 2 of the European Communities (Non-Life Insurance) Regulations 1976 (S.I. No. 115 of 1976); (b) Regulation 2 of the European Communities (Non-Life Insurance) Framework Regulations 1994 (S.I. No. 359 of 1994); (c) Regulation 2 of the European Communities (Life Assurance) Regulations 1984 (S.I. No. 57 of 1984); or (d) Regulation 2 of the European Communities (Life Assurance) Framework Regulations 1994 (S.I. No. 360 of 1994).
17.	A company that is an insurance intermediary within the meaning of the Insurance Act 1989.
18.	A company that is an excepted body within the meaning of the Trade Union Acts 1871 to 1990.

Notes:

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Notes:

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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