

Conversion & New Company Models Companies Act 2014

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Please Note: This leaflet provides a brief outline of the processes. It isn't a complete statement of law.

The Companies Act 2014 commenced on 1st June 2015.

Acronym	Description	Legislation Companies Act 2014
LTD	Private Company Limited by shares	Part 2
DAC	Designated Activity Company	Part 16
CLG	Company Limited by Guarantee	Part 18
PLC	Public Limited Company	Part 17
PUC	Public Unlimited Company with share capital	Part 19
PULC	Public Unlimited Company without share capital	Part 19
ULC	Private Unlimited Company	Part 19
EPC	Existing Private Limited by shares Company	Companies Acts 1963-2013

1. The Companies Act 2014

The Companies Act 2014 introduces a “conversion” process required for all private companies limited by shares into one of two new company types. **This “conversion” procedure affects approximately 85% of Irish registered companies which are currently Private Companies (Limited by Shares).**

The 2014 Companies Act doesn’t just consolidate all the Companies Acts from 1963 to 2013, it also introduces two new company models, the LTD company model under Part 2 and the Designated Activity Company model under Part 16.

All companies currently registered as the “Private Limited by Shares” company type must choose to convert to one of these two new company types

- LTD (Private company limited by shares), or
- DAC (Designated Activity Company limited by shares).

In order to facilitate the conversion process, there are no filing fees associated with the process.

New LTD Company model	Designated Activity Company
It may have just one director (but it must have a separate secretary if it has only one director).	It must have at least two directors.
It can have between 1 and 149 members.	It can have between 1 and 149 members.
It does not need to hold an AGM.	It does need to hold an AGM where the company has two or more members.
It has a one-document constitution which replaces the need for a memorandum and articles of association.	It has a constitution document which includes a memorandum and articles of association.
It will not have an objects clause because it has full unlimited capacity to carry on any legal business, subject to any restrictions in other legislation.	It has a memorandum in its constitution which states the objects for which the company is incorporated.
It can claim eligibility for audit exemption (and dormant company audit exemption).	It can claim eligibility for audit exemption and dormant company audit exemption.
It has limited liability and has a share capital.	It has limited liability and has a share capital or is a private company limited by guarantee with a share capital.
It can pass majority written resolutions (special and ordinary).	It can pass majority written resolutions unless constitution states otherwise
Name must end in “Limited” or “Teoranta”	Name must end in “Designated Activity Company” or “Cuideachta Ghníomhaíochta Ainmnithe” unless qualified for an exemption.

Important: Please Note

- Existing private companies (limited by shares) (EPCs) on the register do not automatically become LTD companies on **1st June 2015**.
- Existing companies cannot avail of the features of the LTD company without having been converted first.

The 18 month transition period:

An eighteen month Transition Period is being allowed for EPCs to opt for conversion to either a LTD or a DAC. It is expected that the Transition Period will commence on 1st June 2015

For the duration of the Transition Period only, all Existing Private limited by shares Companies currently on the register, will operate under the rules applying to DACs until they convert. Such companies do not have to change their name during the Transition Period however.

Conversion during the transition period:

Companies should exercise their conversion option as early as possible. **No fee is charged for conversion.** Companies can choose to convert to the simplified LTD company model by submitting Form N1 (free) together with a special resolution and a copy of their new constitution. See Section 5.

If a company does not wish to change to this simplified version, they can choose to convert by re-registration to the DAC by submitting Form N2 (free). See Section 6.

The end of the transition period:

At the end of the Transition Period (30th November 2016 - 18 months after Commencement Date), the CRO will give effect to the deeming provision in the legislation whereby any company which has not opted to convert itself to a LTD or a DAC will be automatically converted to the LTD company model on the Companies Register.

Company Search Facility

If you are unsure, you can check your company type on the **CRO Search Facility**. Please see www.cro.ie.

- Please see section 9 of this leaflet which indicates which company type a company will operate under during the Transition Period.
- Please see section 3 regarding some of the features of the LTD company and section 4 regarding DACs - Designated Activity Companies.
- Section 5 indicates how a private limited by shares company can convert to the LTD company type for free.
- Alternatively, a private limited by shares company can convert by re-registration to DAC status for free. See section 6 on the methods of conversion.
- Section 8 references reliefs available to members/creditors.

2. Timeframe

Commencement Date New Act commences.

June 1st 2015 Newly incorporated companies will be registered as one of the relevant new company types - LTD, DAC, CLG, PLC, PUC, PULC, ULC.

All existing Private companies limited by shares (EPCs) operate under Part 16 of the Act dealing with Designated Activity Companies until the end of the transition period only, unless they convert.

15 months later
31st August 2016 Final date for companies who wish to convert by re-registration to Designated Activity Company (DAC) to initiate procedure. Thereafter may only re-register following procedure under Part 20 or following a section 57 CA 2014 court order.

18 months later
30th November 2016 Transition Period ends. Private limited by shares companies incorporated under old Acts which have not availed of the opportunity to convert will automatically be converted. The CRO will give effect to the deeming provisions under section 61 Companies Act 2014. They are automatically converted to LTD company model.

3. Private Company Limited by Shares (LTD company)

Only companies registered under the Companies Act 2014, are Private Companies Limited by Shares (LTD company) and are registered under Part 2 of the Act. Previously incorporated companies can convert under the new Act, but unless they are registered as a LTD company, they cannot act as a LTD company. Many of the sections of this new Act are unique to the LTD company model, companies that are registered as private limited companies under the previous Companies Acts cannot use certain areas of the Act - such as having only one director, not holding an AGM, etc. These are unique to the LTD company.

There are a number of changes to Irish company law and which govern the LTD company.

Features of the LTD company include:

- Its company name must end in “Limited” or “Teoranta” (no exceptions).
- It has the contractual capacity of a natural person - the ultra vires rule does not apply.
- It has a constitution document which replaces the need for a memorandum and articles of association.
- It has limited liability and has a share capital.
- It has a limit of a maximum of 149 members.
- It can have a single director.
- It can pass majority written resolutions (special and ordinary).
- It can claim eligibility for audit exemption and dormant company audit exemption.

There is a minimum age for directors

All directors must be over the age of eighteen. Section 131 Companies Act 2014 applies. Body corporates cannot be a director of a company. If an individual, rather than a body corporate, is a secretary, then they must be over eighteen also. (This indeed applies to all company types).

A LTD company may have only one director if desired

If the company is a private company limited by shares (LTD company), it is allowed to have only one director, if desired under section 128 Companies Act 2014.

This does not apply to EPCs - (private limited by shares companies which were incorporated under previous Companies Acts) - which have not yet converted to LTD company type. Also it does not apply to other company types, Designated Activities Companies, PLCs, guarantee companies, etc. Only after conversion to a LTD company can a company have only one director.

A company still needs to have a secretary. If the company has a sole director, the secretary cannot be same person as the director.

A LTD company has a constitution instead of a Memo & Arts

A company private limited by shares (LTD) has a constitution. Under the Companies Act 2014, a constitution now replaces the Memorandum and Articles of Association for a LTD company. Companies do not state objects if they are registered as a LTD company. This Act removes the requirement to state what objects the company has been set up to do. This means there is no doctrine of ultra vires for a LTD company.

The constitution

The constitution states the name of the company, the fact that the company is a private company limited by shares, any additional regulations the company may wish to specify, the share capital information and takes the form set out in Schedule 1 of the Companies Act 2014.

Most of the regulations that would previously be stated in the M&A are included in the sections of the Companies Act, removing the need for the information to be supplied in a company's constitution. The constitution can be changed by special resolution. There are specific dates set for the conversion process. Until a company converts to a LTD company type, an EPC is deemed to be a Designated Activity Company (DAC) throughout the transition period. One reason is that the constitution has not been amended.

The current memorandum and articles of association under which the company operates is still in effect until conversion has been effected.

4. The Designated Activity Company (DAC)

Only companies registered under the Companies Act 2014, are Designated Activity Companies (DAC). Existing Private Guarantee companies are deemed to be DACs under Part 16 of the Companies Act. Private companies (limited by shares), incorporated under the old Companies Acts, can convert under the new Act to a DAC and unless during the transition period above, they convert by re-registration to a DAC, they will be deemed to become a LTD company, private company limited by shares at the end of the Transition Period. Therefore if such a company wishes to be a DAC it is important to follow the Part 2 procedure (see section 6).

A Designated Activity Company (DAC) is determined in Part 16 of the Companies Act 2014 and defined as a private company limited by shares with the capacity, including the power, to do only those acts or things set out in its constitution (memorandum of association) or a private company limited by guarantee and having a share capital with the capacity, including the power, to do only those acts or things set out in its constitution. So, a DAC company will have certain regulations in its constitution, detailing certain objects which are not specified in the template LTD constitution.

Any private company (limited by shares) which has not completed the conversion process to a DAC will be deemed to be a LTD company instead at the end of the Transition Period. So it is important, that a company that was incorporated under the previous companies acts undertakes the conversion because where a company has not passed the necessary resolution within the 15 month transition period and wishes to still convert to a DAC, such company can convert to a DAC by using Part 20 of Companies Act 2014 or under a section 57 Companies Act 2014 court order.

Features of the DAC include:

- Its company name must end in “Designated Activity Company” or “Cuideachta Ghníomhaíochta Ainmnithe” unless qualified for an exemption.
- Designated Activity Companies have a memorandum in their constitutions which state the objects for which the company is incorporated.
- It has a constitution document which includes a memorandum and articles of association.
- It has limited liability and has a share capital or is a private company limited by guarantee
- It must have at least two directors.
- It has a limit of a maximum of 149 members
- It can pass majority written resolutions.
- It can claim eligibility for audit exemption and dormant company audit exemption.

Certain companies are specifically envisaged as being DACs. Examples include charities, management companies, companies limited by guarantee and companies which are incorporated for a specific purpose for which the shareholders wish the capacity of the company to be clearly defined. Certain companies are obliged to convert to a DAC - an existing private limited company that has published an offering document or obtained an admission to trading on a regulated market for its debentures. (Debentures means debenture stock, bonds and any other debt instruments of a company or any forms of securitised debt, including depositary receipts in respect of such securities, whether constituting a charge on the assets of the company or not).

Companies Incorporated under Statute: Companies which were incorporated under statute law, such as semi-state bodies should also convert to the Designated Activity Company model. Section 63(13) Companies Act 2014 applies. Such companies should consult with their relevant Minister.

Company Name Requirement

All Designated Activity Companies shall end with ‘Designated Activity Company’ or “Cuideachta Ghníomhaíochta Ainmnithe”. There is an exception to this as there is a power to dispense with DAC in the name of charitable and other companies under section 971 Companies Act 2014 and section 1180 Companies Act 2014 (guarantee companies without share capital). Companies incorporated under statute law, if already exempted from including Limited or Teoranta as part of their name, can convert without making the name change.

A DAC needs to hold an Annual General Meeting

A Designated Activity Company (DAC) must hold an AGM where the company has 2 or more members. A LTD company, under the new Companies Act, may dispense with the requirement to hold an Annual General Meeting. A LTD company can avoid holding an AGM where all the members entitled to attend and vote at such general meeting, sign, a written resolution, acknowledging receipt of the financial statements, resolving that all such matters as would have been resolved at the AGM and confirming no change in the appointment of the Auditors (if any appointed). See section 175(3) Companies Act 2014.

There is a minimum age for directors

All directors must be over the age of eighteen. Section 131 Companies Act 2014 applies. Body corporates cannot be a director of a company. If an individual, rather than a body corporate, is a secretary, then they must be over eighteen also. (This is indeed true for all company types).

Transition Period

Commencement date	15 months later	18 months later
June 1st 2015	31st August 2016	30th November 2016
<p>All existing Private Limited Companies (limited by shares) (EPCs) operate under the law of</p> <p>Designated Activity Companies</p> <p>for the duration of the transition period</p>	<p>→</p> <p>All such EPCs that wish to become</p> <p>Designated Activity Companies</p> <p>must initiate or complete process by this date</p> <p>Section 56 2014 Act</p>	<p>→</p> <p>All such EPCs that have not converted become</p> <p>Private Companies Limited by Shares (LTD companies)</p> <p>Section 55/61 Companies Act 2014</p>

Throughout this transition period, Private Limited Companies, limited by shares, can convert to the LTD company type by completing the processes under sections 59 or 60 of the Companies Act 2014 using Forms N1 or N2 which are free of charge.

5. Conversion to LTD company - Private Company Limited by Shares

There are a number of methods for conversion to a LTD company. This applies to private limited companies which were incorporated prior to the new Companies Act 2014, which are limited by shares only (EPCs). Companies incorporating after June 1st 2015 will register as a LTD company or a DAC.

From June 1st 2015 to 30th November 2016 (the transition period), EPCs can convert to the LTD company type. For the duration of the transition period only, such EPCs operate under the law relating to Designated Activity Companies (DAC), unless conversion is made to LTD company status. There are three different sections of the Act whereby a company can be converted to a LTD company (Private Company Limited by Shares).

Each of these processes has no filing fees with the CRO. Form N1 is free.

Certificate of Incorporation

Once the documents have been registered, the Registrar will issue a new certificate of incorporation to acknowledge the change in company type. The company becomes the new company type on issue of this certificate, not beforehand.

5.1. Section 59 Companies Act 2014

Under Section 59 of the Companies Act 2014, during the transition period, a company can submit a special resolution together with its new model constitution together with form N1. The Registrar of Companies will upon registration of the documents issue a new certificate of incorporation. No filing fee is required. The constitution is in the format in Schedule 1 to the new Companies Act 2014.

5.2. Section 60 Companies Act 2014

Under Section 60 of the Companies Act 2014, during the transition period, a company can submit Form N1 together with its new model constitution. No filing fee is required. The company directors should have prior to this sent a copy of the constitution to each member of the company. The Registrar of Companies will upon registration of the documents issue a new certificate of incorporation.

In fulfilling these duties, the directors must ensure that the constitution does not alter the rights and obligations of the members of the existing private company.

The new constitution should basically consist of the provisions of its existing articles and also the provisions of its existing memorandum other than provisions that contain its objects or which provide for, or prohibit, the alteration of all or any of the provisions of its memorandum and articles.

Where a company wishes to make further alteration to their constitution they will have to pass a separate special resolution and submit it together with the N1 form.

Now, if it is the case that the company does not have articles but relies instead on the regulations of Table A from the 1963 Act, then the new constitution should state that the articles comprise those regulations.

Despite the repeal of the previous Companies Acts, the regulations of Table A will continue in force where the company has a constitution under section 60 Companies Act 2014.

- These regulations will not have force where they are inconsistent with a mandatory provision of the Companies Act 2014.
- The regulations may be altered or added to by means of a special resolution under section 32 Companies Act 2014 - Amendment of constitution.
- Where Table A makes reference to any provision of the previous Companies Acts, that reference shall be read as being to the corresponding provision of the Companies Act 2014.

5.3. Section 61 Companies Act 2014

Under Section 61 of the Companies Act 2014, if the EPC has failed to convert by 30th November 2016, the Registrar of Companies will give effect to the deeming provisions and issue a new certificate of incorporation to state that the company is now a LTD company, a private company limited by shares under Part 2 of the Companies Act 2014.

The memorandum and articles of association of the company will then exist as a constitution and the constitution will comprise the existing memorandum, other than the provisions that contains its objects or provide for, or prohibit, the alteration of all or any the provisions of its memorandum or articles and the provisions of its existing articles.

An EPC should consider the other options and consider converting without waiting for the Registrar's intervention through the deeming provisions.

Certain companies are required to convert to a DAC. (See section 6).

- If a company wishes to retain its objects it should convert to a DAC.
- Converting to LTD company model during the Transition Period would allow a company to use the areas of the Act that are limited to a LTD company, such as having only one director.
- **Otherwise during the transition period, the laws referring to a DAC, Designated Activity Company, apply to a private company which is limited by shares.**

6. Conversion to DAC - Designated Activity Company

From **June 1st 2015**, existing private limited companies, which are limited by shares, can convert to this company type by means of re-registration under Part 2 of the Act. Conversion to this company type will require a change in name of the company as all Designated Activity Companies must include their company type at the end of their name.

Such EPCs may wish to re-register to this company type if they wish to have or retain specific objects for which the company was incorporated.

Certain companies are obliged to convert by re-registration to a DAC - an EPC that has published an offering document or obtained an admission to trading on a regulated market for its debentures. (Debentures means debenture stock, bonds and any other debt instruments of a company or any forms of securitised debt, including depositary receipts in respect of such securities, whether constituting a charge on the assets of the company or not).

31st August 2016 - Deadline for action

Under section 56 Companies Act 2014, a private company (limited by shares) may convert by re-registration to a DAC, Designated Activity Company. There are time constraints involved in the conversion process.

In order to convert to a DAC, an EPC can pass an ordinary resolution within the 15 month transition period after the enactment of the Companies Act 2014. i.e. between June 1st 2015 and 31st August 2016 and submit the new constitution and resolution together with the form N2 to the CRO.

Other means of re-registration before the expiry of the transition period are:

- if, three months before the expiry of the transition period, 31st August 2016, a notice in writing requiring the company to do so is served on the company by a member or members of the company, who hold shares that confer, in aggregate, more than 25% of the total voting rights.
- if, where anything is done by an existing private company, being something which would not be in compliance with section 68 Companies Act 2014 - limitation on offers of securities to the public- the company must re-register as a DAC before the expiry of the transition period.
- if, instead of re-registering as a DAC, the company may, by passing a special resolution, re-register as another type of company, meeting the requirements of that particular re-registration.

Form N2 is submitted to the CRO together with the resolution to alter the company type as well as the company's new constitution (memorandum and articles of association). The constitution will be in the format of Schedule 7 (DAC limited by shares).

Where a company wishes to make further alteration to their constitution they will have to make a separate filing which would include the special resolution, altered constitution and appropriate fee.

Certificate of Incorporation

Once the documents have been registered, the Registrar will issue a new certificate of incorporation to acknowledge the change in company type. The company becomes the new company type on issue of this certificate, not beforehand.

6.1 Table A

Now, if it is the case that the company does not have articles but relies instead on the regulations of Table A from the 1963 Act, then the new constitution should state that the articles comprise those regulations. Despite the repeal of the previous Companies Acts, the regulations of Table A will continue in force where the company has a constitution under section 63 Companies Act 2014.

- These regulations will not have force where they are inconsistent with a mandatory provision of the Companies Act 2014.
- The **regulations may be altered** or added to by means of a special resolution under Part 16 Companies Act 2014 - Amendment of constitution.
- Where Table A makes reference to any provision of the previous Companies Acts, that reference shall be read as being to the corresponding provision of the Companies Act 2014.

6.2 Change to Company Name Required

All Designated Activity Companies, which are limited by shares must have the words "Designated Activity Company" or "Cuideachta Ghníomhaíochta Ainmnithe" at the end of their name.

The words "designated activity company" may be abbreviated to "d.a.c." or "dac" (including either such abbreviation in capitalised form) in any usage after the company's registration by any person including the DAC.

The words "cuideachta ghníomhaíochta ainmnithe" may be abbreviated to "c.g.a." or "cga" (including either such abbreviation in capitalised form) in any usage after the company's registration by any person including the DAC.

6.3 Exemption from use of the Company Type in Name of Company

Companies which currently hold an exemption: EPCs which were exempted under section 24 of the Companies Act 1963 as amended, will continue to be allowed to apply the exemption regardless of the fact that the Acts have been repealed - section 971(8), section 980 and section 1180(8) of the Companies Act 2014 refer. Where reference was made in the previous exemption to "limited"/"teoranta" this now applies to the requirement to display the new company type.

Companies incorporated under Statute: Where the company was incorporated under statute law and by virtue of that legislation does not use the word “Limited” or “Teoranta” in its name, then this exemption would continue in force and such companies do not have to alter their name. Section 1446 Companies Act 2014 applies. This applies only to companies which complete the conversion process to DAC.

New application: Under the new Act, the phrase “Designated Activity Company” or “Company Limited by Guarantee” may be dropped from the company’s name where the company is a Designated Activity Company or a Company Limited by Guarantee and the constitution of the company states that the objects will be the promotion of commerce, art, science, education, religion or charity. In addition, the company’s constitution must state that

- (a) the profits of the company (if any) or other income are required to be applied to the promotion of the objects;
- (b) payment of dividends/distributions to its members is prohibited;
- (c) all assets which would otherwise be available to its members are required to be transferred on its winding up to another company whose objects are the promotion of commerce, art, science, religion or charity.

Such companies file a **form G5** together with the application to incorporate. Companies which are converting to DAC status must submit the form G5 together with their application to convert to the new company type where they wish to be exempted.

It should be noted, however, that a company which is exempted from the obligation to use the words as part of its name, is still obliged to show on its letters and order forms the fact that it is such a company.

7. What happens after the Transition Period?

Under section 57 Companies Act 2014, where a company failed to convert to a Designated Activity Company (DAC), certain people may apply to the High Court for an order directing that it should re-register as a DAC.

The people who may apply are:

- one or more members of the company who hold, or together hold, not less than 15 per cent in nominal value of the company’s issued share capital or any class thereof; or
- one or more creditors of the company who hold, or together hold, not less than 15 per cent of the company’s debentures entitling the holders to object to alterations of its objects.

Companies can always re-register from one type to another using Part 20 of the Companies Act 2014. So where a company failed to re-register under Part 2, it can convert to DAC from LTD company using the re-registration available under Part 20 of the Act. This re-registration has filing fees whereas the conversion process has no filing fee.

Under **Section 61** of the Companies Act 2014, if the private company has failed to convert by 30th November 2016, the Registrar of Companies will give effect to the deeming provisions and issue a new certificate of incorporation to the company.

The memorandum and articles of association of the company will then exist as a constitution and the constitution will comprise the existing memorandum, other than the provisions that contains its objects or provide for, or prohibit, the alteration of all or any the provisions of its memorandum or articles and the provisions of its existing articles.

8. Relief available to Members and Creditors

Section 62 of the Companies Act 2014 allows for relief where any member considers that his/her rights or obligations have been prejudiced by the conversion or non-conversion of the company, they may apply to the High Court for an order under section 212 Companies Act 2014. They must demonstrate that where section 59 (special resolution) was not used for the conversion, the directors did not comply with the section 60 requirements to draft the new constitution.

Creditors who hold 15% of the company's debentures can be an applicant where the conversion to LTD company model has prejudiced any interest they may have but only where there a legal or equitable right to that interest.

See also section 57, regarding the need to convert to DAC where members (15% of nominal value of issued share capital) have applied to the Court for the re-registration. Section 57 also allows where 15% of the company's debentures are held by a creditor or creditors, they can object to the conversion to LTD.

9. Company Types During the Transition Period

Please note that the company type can be checked for free by using the Company Search Facility at www.cro.ie.

Company Type under current Companies Acts	During the Transition Period ----- June 1st 2015 to 30th November 2016 - 18 month period	On End of Transition Period ----- 30th November 2016 - End 18 month period	Will it Require Name Change? ----- 30th November 2016 - End 18 month period	Name exemption possible?
Private Limited by shares	Private Limited by shares - operate under Designated Activity Company legislation	LTD company* unless converted to DAC	No	No
Single member private company limited by shares	Single member private company limited by shares - operate under Designated Activity Company legislation	LTD company* unless converted to DAC	No	No
Private, limited by shares, licence to omit ltd	Private, limited by shares, licence to omit ltd - operate under DAC legislation	LTD company* unless converted to DAC	Yes.	No
<p>*It should be remembered that all EPCs can convert to Designated Activity Company status, by re-registering, during the Transition Period using form N2. Where Private limited by shares companies do not convert to either the LTD/DAC model, then the Registrar of Companies will give effect to the conversion requirements and the companies will become LTD companies.</p>				

For information on other company types and requirements they have to meet regarding their company name, please see information leaflet 33.

10. Frequently Asked Questions

The Companies Act 2014 commenced on June 1st 2015.

This Act replaced the Companies Acts 1963-2013 and only the new procedures should be followed. The Act is a consolidation of the previous legislation with some new reform elements, several of which are introduced to ease the burden on businesses.

Am I obliged to change the company type and convert?

No. If, however, at the end of the transition period, conversion has not been effected, the Registrar of Companies will enforce the change and convert the company. However where a private company limited by shares (EPC) wishes to be a Designated Activity Company limited by shares, it must convert during the transition period itself.

Is my company automatically converted with the introduction of the new Companies Act?

No. Not straight away. There is a transition period (18 months) during which the various company types can alter their memorandum and articles of association to comply with the new regulations. Once the transition period ends and a company has failed to convert or make any necessary changes, the Registrar of Companies will enforce the change and convert the company to the new company type.

Will the CRO accept Articles of Association that refer to Table A and the Companies Act 1963-2013 or will the CRO require that they are updated to be consistent with the 2014 Act, even if the company is not re-registering at the time?

CRO will continue to accept amendments to a companies M&A which refer to the Companies Acts 1963-2013 in respect of existing private companies. Where a company converts or incorporates as a new company type under the Companies Act 2014, CRO requires that such companies adhere to the relevant form of constitution set out in the Schedules to the Act. (Schedule 1 for LTD for example, Schedule 7 for DAC limited by shares).

In this same vein, where an existing private company submits an amendment to its M&A and sets this out in the format of one of the new constitutions, and it has not converted by using the appropriate procedure and prescribed forms - the documents will be sent back and the presenter will be asked to resubmit in accordance with the conversion procedures (for example Form N1 - special resolution and constitution - for new LTD type) before the G1 and amended constitution can be processed.

Why is there a need to change company names?

Under the new Act, a company is defined in part by its name. Only companies which belong to that company type can have the description in the name and each company is obliged to have their company type description in their name.

(There are exemptions available but only to Designated Activity Companies, Companies Limited by Guarantee and Unlimited Companies and only such companies which meet certain requirements).

What are the different company types?

- LTD - Private company limited by shares
- DAC - Designated activity company limited by shares/limited by guarantee with share capital
- PLC - Public limited company
- CLG - Company limited by guarantee (public guarantee company without a share capital)
- ULC - Private unlimited company having a share capital
- PUC - Public unlimited company having a share capital
- PULC - Public unlimited company not having a share capital

Why is my company operating under the law applicable to DACs? Why is the company not a LTD company?

If your company is a private company limited by shares and was incorporated under the previous Companies Acts (EPC) and it does not initiate a conversion on the commencement of the new Companies Act 2014, it does not automatically become a LTD company.

An EPC instead operates under Part 16 of the Act relating to Designated Activity Companies (DAC). One of the reasons for this is that the company has a memorandum and articles of association.

The memorandum of association sets out the objects by which the company can operate. Only a LTD company registered under the Companies Act 2014 or converted to a LTD company under the same Act, can operate without objects. No other company type is allowed to do this. So unless the company converts, the company is deemed to operate as a DAC for the duration of the transition period.

Do I have to change my company name during the Transition Period while under the legislation referring to DACs?

No. An EPC can do nothing if it chooses and be converted to the LTD company model at the end of the Transition Period. It doesn't have to change its name to DAC during this conversion period. If a private limited by shares company however chooses to convert by re-registering as a DAC then the name change is required.

When does the change take place?

18 months after the commencement of the new Act, companies which were incorporated under the previous Companies Acts, are automatically converted to their new company type. The Registrar will issue a **new certificate of incorporation** to acknowledge the change in company type. The company becomes the new company type on issue of this certificate, not beforehand.

11. Template Constitution for the new LTD company model

Schedule 1 Companies Act 2014

Form of Constitution of Private Company Limited by Shares

CONSTITUTION
OF
[name of company as below]

1. The name of the company is: THE SOUTH EASTERN COUNTIES FLOORING AND TILING COMPANY LIMITED.

2. The company is a private company limited by shares, registered under Part 2 of the Companies Act 2014.

3. The liability of the members is limited.

4. The share capital of the company is €50,000 divided into 50,000 shares of €1 each. / The share capital of the company is divided into shares of €1 each.

5. Supplemental Regulations (if any).

We, the several persons whose names and addresses are subscribed, wish to be formed into a company in pursuance of this constitution, and we agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
1. Mary Kelly Address: Description:	2,700
2. Alan Redmond Address: Description:	300
Total shares taken:	3,000

As appropriate:

signatures in writing of the above subscribers, attested by witness as provided for below; or authentication in the manner referred to in section 888.

Dated the ----- day of ----- 20--

Witness to the above Signatures:

Name:-----

Address:-----

12. Template Constitution for the new DAC model

Schedule 7 Companies Act 2014

Form of Constitution of Designated Activity Company Limited by Shares

CONSTITUTION
OF
[name of company as below]

MEMORANDUM OF ASSOCIATION

1. The name of the company is: THE SAFE SKIES SOFTWARE DESIGNATED ACTIVITY COMPANY.
2. The company is a designated activity company limited by shares, that is to say a private company limited by shares registered under Part 16 of the Companies Act 2014.
3. The objects for which the company is established are the development, production and sale of computer software designed to enhance the safety of aviation and the doing of all such other things as are incidental or conducive to the attainment of the above object.
4. The liability of the members is limited.
5. The share capital of the company is €200,000, divided into 200,000 shares of €1 each.

ARTICLES OF ASSOCIATION

The following Regulations shall apply to the company:
[or, instead of the immediately foregoing words, the following sentence:-*]

The provisions of the Companies Act 2014 are adopted.

*See section 970(5)

We, the several persons whose names and addresses are subscribed, wish to be formed into a company in pursuance of this constitution, and we agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
1. Patrick McKenna Address: Description:	300
2. Bridget McCloy Address: Description:	2,700
Total shares taken:	3,000

As appropriate:

signatures in writing of the above subscribers, attested by witness as provided for below; or authentication in the manner referred to in section 888.

Dated the _____ day of _____ 20__

Witness to the above Signatures:

Name: _____

Address: _____

AN OIFIG UM CHLÁRÚ CUIDEACHTAÍ
Oifig Poiblí: Teach Pharnell, 14 Cearnóg Pharnell, BÁC1, D01 E6W8
Fiosruithe: Bóthar Uí Bhriain, Ceatharlach, R93 E920

Lóghlao: 1890 220 226
Fón: +353 1 804 5200 **Faicis:** +353 1 804 5222
Ríomhphost: info@cro.ie **Láithreán:** www.cro.ie

COMPANIES REGISTRATION OFFICE
Public Office: Parnell House, 14 Parnell Square, D01 E6W8
Postal Enquiries: O'Brien Road, Carlow, R93 E920

Lo Call: 1890 220 226
Tel: +353 1 804 5200 **Fax:** +353 1 804 5222
Email: info@cro.ie **Web:** www.cro.ie