

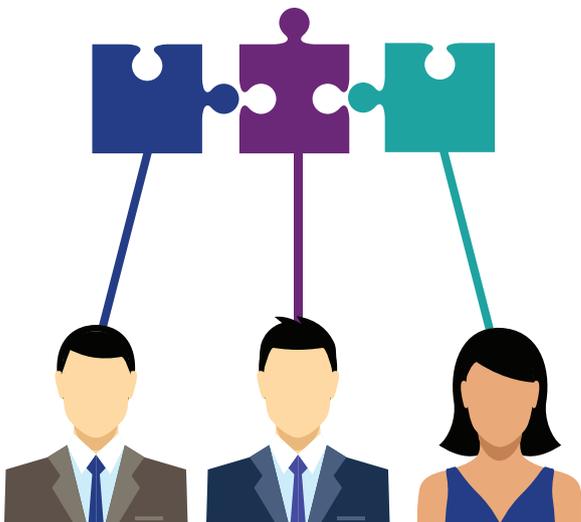
# Directors' Compliance Statement

## Tax and Legal Services

**The Companies Act 2014 imposed a new requirement on directors to include a Directors' Compliance Statement in the annual Directors' Report.**

**The response required by directors will vary and will depend on such factors as the nature, scale and complexity of the company's business.**

**In many cases, little additional work may be required. However, in all cases directors should consider the comfort that they will need to obtain in order to sign off on the Directors' Compliance Statement and to what extent their considerations should be documented.**



### What must Directors confirm?

The directors are required to confirm their responsibility for securing the company's compliance with certain legal obligations and to confirm that certain actions have been taken, or if not, explain why they have not. The legal obligations involved encompass all Irish tax law obligations and certain Companies Act 2014 obligations, the breach of which give rise to serious criminal sanctions.



### What actions must be taken?

In relation to the Irish tax and company law obligations in scope, the directors must confirm that:

1. The company has a compliance policy statement;
2. Processes have been put in place to secure material compliance; and
3. An annual review of the compliance processes has been carried out during the year.

Both the compliance policy and the compliance processes should be, in the opinion of the directors, appropriate to the company.



### What companies are impacted?

All Irish plcs (except Part 24 Investment Companies) and certain Irish limited companies where their balance sheet total exceeds €12.5m and annual turnover exceeds €25m. The requirements do not apply to unlimited companies or companies formed under foreign law. Qualifying Section 110 companies may also be excluded but this will be subject to Ministerial Regulations.



### When does the requirement commence to apply?

The requirement applies for accounting periods commencing on or after 1 June 2015.



### Is there a penalty for failure to make a Directors' Compliance Statement?

Yes. A fine of up to €5,000 may be imposed and/or a prison sentence of up to 6 months (summary conviction only).



### How can KPMG Tax & Legal Services assist?

KPMG has an integrated team of tax and legal professionals who can assist with all aspects of the Directors' Compliance Statement arrangements. Our services can be tailored to individual company needs, depending on size and complexity.

# How can KPMG Tax and Legal Services assist?

# What is a Tax and Legal Governance Framework?



## Compliance policies

- Provision of best practice recommendations
- Policy documentation



## Compliance processes

- Tax and legal compliance workshops
- Governance and control frameworks
- Gap analysis of existing controls
- Compliance process documentation
- Board reporting
- Remediation
- Process improvements



## Annual reviews

- Effectiveness testing
- Risk reviews
- Data interrogation and e-Audit
- Health checks
- Legal workshops



## Contact us

For more information, please contact your usual KPMG client service team or:



### John Curry

Director  
Tax Process & Technology Services

t: +353 (1) 700 4242  
e: john.curry@kpmg.ie



### Laura Heuston

Director  
Taxation

t: +353 (1) 700 4209  
e: laura.heuston@kpmg.ie



### John O'Shea

Director  
Legal Services

t: +353 (1) 700 4490  
e: john.oshea@kpmg.ie

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