



STATUTORY INSTRUMENTS.

**S.I. No. 597 of 2019**



EUROPEAN UNION (QUALIFYING PARTNERSHIPS: ACCOUNTING  
AND AUDITING) REGULATIONS 2019

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I, HEATHER HUMPHREYS, Minister for Business, Enterprise and Innovation, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving further effect to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC<sup>1</sup>, hereby make the following regulations:

PART 1

PRELIMINARY AND GENERAL

**Citation, commencement, application and construction**

1. (1) These Regulations may be cited as the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019.

(2) Subject to Regulation 2, these Regulations shall come into operation on 1 January 2020.

(3) Save where otherwise provided, these Regulations shall apply -

- (a) in so far as they relate to a qualifying partnership, to the qualifying partnership's financial years commencing on or after 1 January 2020, and
- (b) in so far as they relate to an auditor of a qualifying partnership, to an auditor appointed in respect of financial years commencing on or after 1 January 2020.

(4) These Regulations shall be read as one with the Principal Act.

**Revocation and transitional provisions**

2. (1) Subject to paragraph (2), the Regulations of 1993 are revoked.

(2) The Regulations of 1993, to the extent that they are in force immediately before 1 January 2020, and in so far as they related to a qualifying

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<sup>1</sup> OJ No. L 182, 29.6.13, p.19

partnership's financial years commencing before that date, shall continue to apply to qualifying partnerships in respect of those financial years.

### **Interpretation**

3. (1) In these Regulations -

“debenture”, in relation to a qualifying partnership, includes debenture stock, bonds and any other securities of the partnership whether constituting a charge on the assets of the partnership or not;

“designated ULC” means an unlimited company that is a designated ULC in accordance with section 1274 of the Principal Act;

“financial year”, in relation to a qualifying partnership, means any period of not more than 18 months in respect of which a profit and loss account of the partnership is required to be made up by or in accordance with any agreement governing the operation of the qualifying partnership or, where any agreement governing the operation of the qualifying partnership does not contain such a requirement, each period of 12 months beginning on 1 January of a given year;

“general partner” has the same meaning as it has in the Limited Partnerships Act 1907 (7 Edw. 7) c. 24;

“limited partnership” means a partnership registered in accordance with the Limited Partnerships Act 1907;

“partnership” has the same meaning as it has in the Partnership Act 1890 (53 & 54 Vict.) c. 39;

“Principal Act” means the Companies Act 2014 (No. 38 of 2014);

“qualifying partnership” has the meaning assigned to it by Regulation 5;

“regulated market” has the same meaning as it has in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast)<sup>2</sup>;

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<sup>2</sup> OJ No. L 173, 12.6.2014, p. 349

“Regulations of 1993” means the European Communities (Accounts) Regulations 1993 (S.I. No. 396 of 1993);

“Regulations of 2017” means the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (S.I. No. 360 of 2017).

(2) A word or expression which is used in these Regulations and is also used in -

- (a) the Principal Act, or
- (b) Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC<sup>1</sup>

has, unless the context otherwise requires, the same meaning in these Regulations as it has in the Principal Act or in that Directive, as the case may be.

## PART 2

### AMENDMENT OF PRINCIPAL ACT

#### **Amendment of Principal Act**

4. The Principal Act is amended -

- (a) in section 9(3), by the substitution of “the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019” for “the European Communities (Accounts) Regulations 1993 (S.I. No. 396 of 1993), as amended,”
- (b) in section 900(1) -
  - (i) by the deletion of the definition of “1993 Accounts Regulations”, and
  - (ii) by the insertion of the following definition:

“ ‘2019 Qualifying Partnerships Regulations’ means the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019;”

and

- (c) in section 904(1)(c), by the substitution of “the 2019 Qualifying Partnerships Regulations” for “the 1993 Accounts Regulations”.

### PART 3

#### QUALIFYING PARTNERSHIPS

#### **Qualifying partnership**

5. (1) In these Regulations, “qualifying partnership” means -

- (a) a partnership, all of the members of which are -
- (i) limited companies,
  - (ii) designated ULCs,
  - (iii) partnerships other than limited partnerships, all of the members of which are limited companies or designated ULCs,
  - (iv) limited partnerships, all of the general partners of which are limited companies or designated ULCs, or
  - (v) partnerships, including limited partnerships, the direct or indirect members of which include any combination of undertakings referred to in clauses (i) to (iv), such that the ultimate beneficial owners of the partnership enjoy the protection of limited liability,

or

- (b) a limited partnership, all of the general partners of which are -
- (i) limited companies,
  - (ii) designated ULCs,
  - (iii) partnerships other than limited partnerships, all of the members of which are limited companies or designated ULCs,
  - (iv) limited partnerships, all of the general partners of which are limited companies or designated ULCs, or
  - (v) partnerships, including limited partnerships, the direct or indirect members of which include any combination of

undertakings referred to in clauses (i) to (iv), such that the ultimate beneficial owners of the partnership enjoy the protection of limited liability.

(2) References in paragraph (1) to a limited company, a designated ULC, a partnership or a limited partnership include references to any undertaking, whether governed by the law of the State or of another country or territory, that is comparable to such a limited company, designated ULC, partnership or limited partnership.

(3) Without prejudice to the generality of paragraph (2), for the purpose of this Regulation -

(a) an undertaking that is not governed by the law of the State shall be considered to be comparable to a limited partnership if -

- (i) it is a partnership, or an undertaking comparable to a partnership,
- (ii) it has at least one member with limited liability, and
- (iii) it has at least one member without limited liability,

(b) in relation to an undertaking that is not governed by the law of the State and that is comparable to a limited partnership for the purpose of this Regulation, the reference in clauses (1)(a)(iv) and (1)(b)(iv) to general partners shall be construed as a reference to the members of the undertaking without limited liability.

(c) an undertaking -

- (i) that is not governed by the law of the State, and
- (ii) all of the members of which have limited liability,

shall be considered to be comparable to a limited company.

(4) These Regulations shall apply notwithstanding any change in the -

- (a) partners,
- (b) members, or
- (c) direct or indirect members,

of a qualifying partnership that does not result in it ceasing to be a qualifying partnership.

(5) In this Regulation, in relation to a partnership or any other undertaking, the “ultimate beneficial owner” means the natural person or persons who ultimately own or control, directly or indirectly, the partnership or undertaking.

(6) For the purpose of this Regulation, in assessing whether an undertaking is comparable to a limited company, designated ULC, partnership or limited partnership, regard shall be had to whether the liability of persons holding shares (within the meaning of section 275(3) of the Principal Act) in the undertaking is limited.

### **References to members of qualifying partnership**

6. (1) In these Regulations, a reference to the members of a qualifying partnership shall be construed in accordance with this Regulation.

(2) (a) In relation to a qualifying partnership that -

- (i) is not a limited partnership, and
- (ii) has at least one member that is a partnership other than a limited partnership,

the members of that qualifying partnership include any limited companies or designated ULCs that are members of the partnership or partnerships referred to in clause (ii).

(b) In relation to a qualifying partnership that -

- (i) is not a limited partnership, and
- (ii) has at least one member that is a limited partnership,

the members of that qualifying partnership include any limited companies or designated ULCs that are general partners in the limited partnership or limited partnerships referred to in clause (ii).

(3) (a) Where a qualifying partnership -

- (i) is a limited partnership, and
- (ii) has at least one member that is a partnership other than a limited partnership,

the members of that qualifying partnership include any limited companies or designated ULCs that are members of the partnership or partnerships referred to in clause (ii).

(b) Where a qualifying partnership -

- (i) is a limited partnership, and
- (ii) has at least one member that is a limited partnership,

the members of the qualifying partnership include any limited companies or designated ULCs that are general partners in the limited partnership or limited partnerships referred to in clause (ii).

(4) (a) In this Regulation, other than a reference to a qualifying partnership, a reference to -

- (i) a partnership other than a limited partnership, or
- (ii) a limited partnership,

includes a reference to any comparable undertaking whether governed by the laws of the State or of another country or territory.

(b) In this Regulation, a reference to -

- (i) a limited company, or
- (ii) a designated ULC

includes a reference to any comparable undertaking whether governed by the laws of the State or of another country or territory.

(5) For the purpose of this Regulation, in assessing whether an undertaking is comparable to a limited company, designated ULC, partnership or limited partnership, regard shall be had to whether the liability of persons holding shares (within the meaning of section 275(3) of the Principal Act) in the undertaking is limited.

(6) In these Regulations, unless otherwise specified, a reference to the members of a qualifying partnership that is a limited partnership shall be construed as a reference to its general partner or general partners, as the case may be.

## PART 4

## APPLICATION OF PART 6 OF PRINCIPAL ACT

**Application of Part 6 of Principal Act**

7. Subject to these Regulations, Part 6 of the Principal Act shall apply to a qualifying partnership as if it were a company formed and registered under the Principal Act subject to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

**Interpretation of terms in Part 6 of Principal Act**

8. (1) A reference in Part 6 of the Principal Act to the directors or to the secretary of a company shall, in relation to a qualifying partnership, be construed as a reference to the members of the qualifying partnership and -

- (a) any duties, obligations or discretion imposed on, or granted to, such directors or secretary under the Principal Act shall be deemed to be imposed on, or granted to, such members, and
- (b) any duties, obligations or discretion jointly imposed on or jointly granted to both a director and the secretary of a company together under the Principal Act shall be construed as being imposed on or granted to -
  - (i) where a qualifying partnership is not a limited partnership, 2 members of the qualifying partnership, and
  - (ii) where the qualifying partnership is a limited partnership -
    - (I) if there is only one general partner, that partner, or
    - (II) if there is more than one general partner, 2 of their number.

(2) A reference in Part 6 of the Principal Act to the officers of a company shall, in relation to a qualifying partnership, be construed as a reference to the members of the qualifying partnership, and any duties, obligations or discretion imposed on, or granted to, such officers under the Principal Act shall be deemed to be imposed on, or granted to, such members.

(3) Save where otherwise provided, a reference in Part 6 of the Principal Act to a directors' report shall, in relation to a qualifying partnership, be construed as a reference to the partners' report prepared under Regulation 18.

(4) A reference in Part 6 of the Principal Act to the date of a company's incorporation shall, in relation to a qualifying partnership, be construed as a reference to the date on which the qualifying partnership was formed.

(5) A reference in Part 6 of the Principal Act to an action that is to be or may be carried out at a general meeting of a company shall, in relation to a qualifying partnership, be construed as a reference to an action that is to be or may be carried out at a meeting of the partners, or as otherwise determined in accordance with the requirements of any agreement governing the operation of the partnership.

(6) A reference in Part 6 and Schedules 3, 3A, 3B, 4 and 4A of the Principal Act to shares or share capital shall, in relation to a qualifying partnership, be construed in accordance with section 275(3) of the Principal Act.

(7) Save where otherwise provided, in relation to a limited partnership, nothing in these Regulations shall be construed as conferring any duty, obligation or discretion on a limited partner in a manner that is inconsistent with the Limited Partnerships Act 1907.

**Non-application of Part 6 to qualifying partnerships that are credit institutions or insurance undertakings**

9. (1) Part 6 of the Principal Act shall not apply to a qualifying partnership that is -

- (a) a credit institution, or
- (b) an insurance undertaking

to the extent provided for -

- (i) by regulations made under section 3 of the European Communities Act 1972 to give effect to Community acts, or
- (ii) by or under any other enactment,

relating to accounts of credit institutions and insurance undertakings.

(2) In paragraph (1) -

- (i) credit institution, and
- (ii) insurance undertaking

have the same meanings respectively as they have in section 275(1) of the Principal Act.

### **Application of definition of subsidiary undertaking**

10. For the purposes of applying the definition of subsidiary undertaking in Part 6 of the Principal Act to a partnership -

- (a) references to voting rights attaching to shares in a company shall be construed as references to votes or other rights exercisable by the partners in a partnership giving those partners the potential to exercise control or dominant influence over the activities of the partnership, and
- (b) references to a company's constitution shall be construed as references to any agreement governing the operation of the partnership.

### **Application of section 291 of Principal Act**

11. Section 291 of the Principal Act shall apply to a qualifying partnership as if -

- (a) subsections (3)(b), (6A)(b), (7) and (8) were omitted,
- (b) subsection (3A) read:

“(3A)Companies Act entity financial statements shall state the following:

- (a) the firm name of the qualifying partnership;
  - (b) in the case of a limited partnership, the place of registration and the number under which it is registered;
  - (c) the address of the qualifying partnership's principal place of business;
  - (d) where the qualifying partnership is being wound up under the Principal Act, the information required by section 595.”,
- (c) in subsection (4), the reference to “applicable accounting standards” were omitted, and
  - (d) in subsection (9), “subsections (2) to (6)” were substituted for “subsections (2) to (7)”.

**Application of section 292 of Principal Act**

12. Section 292 of the Principal Act shall apply to a qualifying partnership as if subsection (2A) read -

“(2A)IFRS entity financial statements shall state the following:

- (a) the firm name of the qualifying partnership;
- (b) in relation to a limited partnership, the place of registration and the number under which it is registered;
- (c) the address of the qualifying partnership’s principal place of business;
- (d) where the qualifying partnership is being wound up under the Principal Act, the information required by section 595.”.

**Application of section 294 of Principal Act**

13. Section 294 of the Principal Act shall apply to a qualifying partnership as if -

- (a) in subsection (1), “in relation to a holding undertaking that is a qualifying partnership” were substituted for “in relation to a holding company”, and every subsequent reference to “the holding company” in that section were read accordingly,
- (b) subsections (3)(b), (7) and (8) were omitted,
- (c) subsection (3A) read:

“(3A)Companies Act group financial statements shall state the following:

- (a) the firm name of the qualifying partnership that is a holding undertaking;
- (b) in relation to a limited partnership, the place of registration and the number under which it is registered;
- (c) the address of the qualifying partnership’s principal place of business;
- (d) where the qualifying partnership is being wound up under the Principal Act, the information required by section 595.”,

- (d) in subsection (4), the reference to “applicable accounting standards” were omitted, and
- (e) in subsection (9), “subsections (2) to (6)” were substituted for “subsections (2) to (7)”.

#### **Application of section 295 of Principal Act**

14. Section 295 of the Principal Act shall apply to a qualifying partnership as if -

- (a) “partners in a holding undertaking that is a qualifying partnership” were substituted for “directors of a holding company”, and every subsequent reference to “the holding company” in that section were read accordingly, and
- (b) subsection (2A) read:

“(2A) IFRS group financial statements shall state the following:

- (a) the firm name of the qualifying partnership that is a holding undertaking;
- (b) in relation to a limited partnership, the place of registration and the number under which it is registered;
- (c) the address of the qualifying partnership’s principal place of business;
- (d) where the qualifying partnership is being wound up under the Principal Act, the information required by section 595.”.

#### **Non-application of certain provisions of Principal Act**

15. Sections 281 to 286, 305A, 312, 318, 319, 325(1)(c), (d) and (e), 326(1)(c) and (d) and (2)(d), 328, 338, 339, 341, 375, 381 to 385, 392, 396 to 398, 401 and 402 of the Principal Act shall not apply to a qualifying partnership.

#### **Application of section 320 of Principal Act**

16. Section 320 of the Principal Act shall apply to a qualifying partnership only in so far as that qualifying partnership holds shares in its holding undertaking or an interest in such shares.

**Application of section 324 of Principal Act**

17. Section 324 of the Principal Act shall apply to a qualifying partnership subject to the following modifications:

- (a) where a qualifying partnership is not a limited partnership, the statutory financial statements shall be approved by the members and signed on their behalf by at least 2 of their number;
- (b) where the qualifying partnership is a limited partnership -
  - (i) if there is only one general partner, the statutory financial statements shall be approved by that partner and shall bear the signature of that partner, or
  - (ii) if there is more than one general partner, the statutory financial statements shall be approved by the general partners and signed on their behalf by at least 2 of their number.

**Application of section 325 of Principal Act**

18. Subject to this Regulation and to Regulation 15, the members of a qualifying partnership shall prepare a report (in these Regulations referred to as a “partners’ report”) in accordance with the requirements of section 325 of the Principal Act as if -

- (a) every reference to the company mentioned in subsection (1) of that section were a reference to the qualifying partnership,
- (b) every reference to a director were a reference to the members of the qualifying partnership,
- (c) paragraph (3)(a) read “the qualifying partnership is a holding undertaking, and”, and
- (d) every reference to a “group directors’ report” were a reference to a “group partners’ report”.

**Application of section 332 of Principal Act**

19. Section 332 of the Principal Act shall apply to a qualifying partnership with the following modifications:

- (a) where the qualifying partnership is not a limited partnership, the partners’ report shall be approved by the members and signed on their behalf by at least 2 of their number;
- (b) where the qualifying partnership is a limited partnership -

- (i) if there is only one general partner, the partners' report shall be approved by that general partner and shall bear the signature of that partner, or
- (ii) if there is more than one general partner, the partners' report shall be approved by the general partners and signed on their behalf by at least 2 of their number.

#### **Application of section 334 of Principal Act**

20. A partner in a qualifying partnership, including a limited partner in a limited partnership, may serve the notice referred to in section 334(1) of the Principal Act on the qualifying partnership stating that the partner does not wish the audit exemption to be availed of by the qualifying partnership in the financial year specified in the notice.

#### **Application of section 343 of Principal Act**

21. Section 343(4) of the Principal Act shall apply to a qualifying partnership as if it read:

“(4) An annual return of a qualifying partnership shall -

- (a) be in the form specified by the Minister, and
- (b) be made up to a date that is not later than its annual return date, except that the first annual return falling to be made by a qualifying partnership after it is formed shall be made up to the date that is its first annual return date.”.

#### **Application of section 347 of Principal Act**

22. Section 347(1) of the Principal Act shall apply to a qualifying partnership as if it read:

“(1) Subject to the provisions of this Part, there shall be annexed to the annual return a copy of the following documents:

- (a) the statutory financial statements of the qualifying partnership;
- (b) the partners' report, including any group partners' report;
- (c) the statutory auditors' report on those financial statements and that partners' report.”.

**Application of section 352 of Principal Act**

23. Section 352(4)(b) of the Principal Act shall apply to a qualifying partnership with the following modifications:

- (a) where the qualifying partnership is not a limited partnership, the certificate shall be of at least 2 members of the qualifying partnership and shall bear the signature of those members;
- (b) where the qualifying partnership is a limited partnership -
  - (i) if there is only one general partner, the certificate shall be of that partner and shall bear that partner's signature, or
  - (ii) if there is more than one general partner, the certificate shall be of at least 2 general partners and shall bear the signature of those partners.

**Application of section 353 of Principal Act**

24. The references in section 353(2)(b) and (3)(b) of the Principal Act to sections 305 to 321 shall, in relation to a qualifying partnership -

- (a) be read as excluding sections 305A, 318, 319 and, subject to paragraph (b), section 320 of the Principal Act, and
- (b) notwithstanding paragraph (a), where the qualifying partnership concerned holds shares in its holding undertaking, or an interest in such shares, be read as including section 320 of the Principal Act.

**Application of section 355 of Principal Act**

25. Section 355 of the Principal Act shall apply to a qualifying partnership subject to the following modifications:

- (a) where the qualifying partnership is not a limited partnership, the abridged financial statements referred to in subsection 355(1) of the Principal Act shall be approved by the members and signed on their behalf by at least 2 of their number;
- (b) where the qualifying partnership is a limited partnership -
  - (i) if there is only one general partner, the abridged financial statements referred to in subsection 355(1) of the Principal Act shall be approved by that general partner and shall bear the signature of that partner, or

- (ii) if there is more than one general partner, the abridged financial statements referred to in subsection 355(1) of the Principal Act shall be approved by the general partners and signed on their behalf by at least 2 of their number.

**Application of section 357 of Principal Act**

26. The reference in section 357(1)(a) of the Principal Act to every person who is a shareholder declaring his or her consent shall, in relation to a qualifying partnership, be construed as a reference to every person who is a partner, including a limited partner, declaring his or her consent.

**Application of section 380 of Principal Act**

27. Section 380 of the Principal Act shall apply to a qualifying partnership as if -

- (a) subsection (1) read:

“(1) The partners in a qualifying partnership shall appoint one or more statutory auditors for each financial year of the partnership.”,

and

- (b) subsection (5) were omitted.

**Application of section 387 of Principal Act**

28. Notwithstanding Regulation 8(2), the reference in section 387(4) of the Principal Act to “an officer, in relation to a company” shall, in relation to a qualifying partnership, be construed as including a reference to any employee of the partnership.

**Application of section 389 of Principal Act**

29. Notwithstanding Regulation 8(2), the reference in section 389(3) of the Principal Act to an officer, in relation to a company, shall, in relation to a qualifying partnership, be construed as including -

- (a) a limited partner, and
- (b) any employee of the partnership.

**Application of section 391 of Principal Act**

30. The reference in section 391 of the Principal Act to a report to the

members shall, in relation to a qualifying partnership, be construed as a reference to a report to the partners.

**Application of section 393 of Principal Act**

31. Section 393 of the Principal Act shall apply to a qualifying partnership as if, in subsection (1), “an offence under Regulation 42(1), (7), (8), (10), (11) or (12) of the European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019” were substituted for “a category 1 or 2 offence”.

**Application of section 394 of Principal Act**

32. Section 394 of the Principal Act shall apply to a qualifying partnership as if it read:

“**394.** The partners in a qualifying partnership may remove a statutory auditor from office before the end of the auditor’s term of office and appoint, in his or her place, any other person or persons, being a person or persons who is or are qualified by virtue of Part 27 to be statutory auditors of the company, but this is subject to section 395.”.

**Application of section 395 of Principal Act**

33. Section 395 of the Principal Act shall apply to a qualifying partnership as if it read:

“**395.** (1) A statutory auditor of a qualifying partnership shall not be removed from office before the end of that auditor’s term of office unless there are good and substantial grounds for the removal related to the conduct of the auditor with regard to the performance of his or her duties as auditor of the qualifying partnership or otherwise.

(2) For the purpose of paragraph (1), diverging opinions on accounting treatments or audit procedures cannot constitute good and substantial grounds for the removal from office of a statutory auditor.”.

**Application of section 399 of Principal Act**

34. Section 399 of the Principal Act shall apply to a qualifying partnership as if subsections (3)(b), (4), (5) and (6) were omitted.

**Application of section 400 of Principal Act**

35. Section 400 of the Principal Act shall apply to a qualifying partnership

as if subsections (4)(b), (5), (6), (7), (8)(b) and (9) were omitted.

**Application of section 403 of Principal Act**

36. Section 403 of the Principal Act shall apply to a qualifying partnership as if it read:

**“403.** (1) Where, for any reason, a statutory auditor of a qualifying partnership ceases to hold office before the end of the auditor’s term of office, the auditor shall -

- (a) in such form and manner as the Supervisory Authority specifies, and
- (b) within 30 days after the date of that cessation,

notify the Supervisory Authority that the auditor has ceased to hold office.

(2) The notification under paragraph (1) shall be accompanied by -

- (a) in the case of resignation of the auditor, the notice served by the auditor under section 400(1), and
- (b) a copy of any representations in writing made to the qualifying partnership by the outgoing auditor in relation to the auditor ceasing to hold office.

(3) Where -

- (a) a statutory auditor ceases to hold office due to his or her resignation, and
- (b) the notice served under section 400(1) states that there are no circumstances connected with the resignation to which it relates that the auditor concerned considers should be brought to the notice of partners in or creditors of the partnership,

the notice shall be accompanied by a statement of the reasons for the auditor's resignation.”.

#### **Application of section 404 of Principal Act**

37. Section 404 of the Principal Act shall apply to a qualifying partnership as if it read:

“**404.** (1) Where, for any reason, a statutory auditor of a qualifying partnership ceases to hold office before the end of the auditor's term of office, the partners in the qualifying partnership shall -

(a) in such form and manner as the Supervisory Authority specifies, and

(b) within 30 days after the date of that cessation,

notify the Supervisory Authority that the auditor has ceased to hold office.

(2) The notification under subsection (1) shall be accompanied by -

(a) a statement by the partners of the reasons for the auditor's ceasing to hold office, and

(b) a copy of any representations in writing made to the qualifying partnership by the outgoing auditor in relation to the auditor ceasing to hold office.”.

### **PART 5**

#### **APPLICATION OF SECTION 1373 OF PRINCIPAL ACT**

#### **Application of section 1373 of Principal Act**

38. (1) Subject to these Regulations, where a qualifying partnership has debentures admitted to trading on a regulated market in an EEA state, the members of the qualifying partnership at the end of a financial year shall apply section 1373 of the Principal Act to the qualifying partnership, as if the partnership were a company formed and registered under the Principal Act subject to the following modifications:

- (a) a reference in section 1373 of the Principal Act to a traded company shall be read as a reference to a qualifying partnership that has debentures admitted to trading on a regulated market in an EEA state;
- (b) any other modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

(2) Where a qualifying partnership prepares a corporate governance statement in the form of a separate report, section 1373(4) of the Principal Act shall apply to the qualifying partnership subject to the following modifications:

- (a) where the qualifying partnership is not a limited partnership, the separate corporate governance statement shall be approved by the members of the qualifying partnership and signed on their behalf by at least 2 of their number;
- (b) where the qualifying partnership is a limited partnership -
  - (i) if there is only one general partner, the separate corporate governance statement shall be approved by that partner and shall bear the signature of that partner, or
  - (ii) if there is more than one general partner, the separate corporate governance statement shall be approved by the general partners and signed on their behalf by 2 of their number.

(3) A reference in section 1373 of the Principal Act to the directors or the secretary of a company shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(1).

## PART 6

### APPLICATION OF PART 26 OF PRINCIPAL ACT

#### **Application of Part 26 of Principal Act - general**

39. (1) Subject to these Regulations, the members of a qualifying partnership shall, at the end of the financial year of the qualifying partnership, apply Part 26 of the Principal Act to the qualifying partnership, as if the qualifying partnership were a company formed and registered under the Principal Act subject to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

(2) A reference in Part 26 of the Principal Act to the directors or the secretary of a company shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(1).

(3) A reference in Part 26 of the Principal Act to the officers of a company shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(2).

#### **Application of section 1458 of Principal Act**

40. Section 1458 of the Principal Act shall apply to a qualifying partnership subject to the following modifications:

- (a) where the qualifying partnership is not a limited partnership, the entity payment report or consolidated payment report shall be approved by the members and signed on their behalf by at least 2 of their number;
- (b) where the qualifying partnership is a limited partnership -
  - (i) if there is only one general partner, the entity payment report or consolidated payment report shall be approved by that general partner and shall bear the signature of that partner, or
  - (ii) if there is more than one general partner, the entity payment report or consolidated payment report shall be approved by the general partners and signed on their behalf by 2 of their number.

### **PART 7**

#### **DISCLOSURE OF NON-FINANCIAL AND DIVERSITY INFORMATION**

##### **Disclosure of Non-Financial and Diversity Information**

41. (1) Subject to these Regulations, the members of a qualifying partnership shall, at the end of the financial year of the partnership, apply the Regulations of 2017 to the qualifying partnership, as if the qualifying partnership were a company formed and registered under the Principal Act subject to any modifications necessary to take account of the fact that the qualifying partnership is unincorporated.

(2) A reference in the Regulations of 2017 to the directors of a company shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(1).

(3) A reference in the Regulations of 2017 to a directors' report shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(3).

(4) A reference in the Regulations of 2017 to an action that is to be or may be carried out at a general meeting of a company shall, in relation to a

qualifying partnership, be construed in the same manner as is provided for in Regulation 8(5).

(5) A reference in the Regulations of 2017 to shares or share capital shall, in relation to a qualifying partnership, be construed in the same manner as is provided for in Regulation 8(6).

(6) A reference in the Regulations of 2017 to a “holding company” shall, in relation to a qualifying partnership, be read as a reference to a holding undertaking.

## PART 8

### OFFENCES

#### Offences

42. (1) A qualifying partnership that fails to comply with any provision referred to in sections 291(9), 292(3), 294(9), 295(3), 324(6), 324(8), 355(7), 355(9), 356(5) or 1458(4) of the Principal Act as applied by these Regulations commits an offence.

(2) Where an offence under paragraph (1) is committed by a qualifying partnership and it is proved that the offence was committed with the consent or connivance, or was attributable to any wilful neglect, of a person who was -

- (a) a member of the qualifying partnership,
- (b) a director of such a member, or
- (c) a person purporting to act in either such capacity,

that person shall, as well as the qualifying partnership, be guilty of an offence and may be proceeded against and punished as if he or she were guilty of the first-mentioned offence.

(3) A person who commits an offence under paragraphs (1) or (2) shall be liable -

- (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- (b) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(4) In any proceedings against a person in respect of an offence referred to in sections 291(9), 292(3), 294(9) or 295(3) of the Principal Act as applied by these Regulations it shall be a defence to prove that the person had reasonable grounds for believing and did believe that -

- (a) a competent and reliable person was charged with the duty of ensuring that the relevant provisions were complied with, and
- (b) the latter person was in a position to discharge that duty.

(5) (a) A qualifying partnership that fails to comply with any provision referred to in sections 316(3), 325(6), 332(4), 335(3), 335(6), 337(5), 340(7), 343(11), 347(5), 348(6), 374(4), 376(3), 377(7), 1459 or 1460 of the Principal Act as applied by these Regulations commits an offence.

(b) Where an offence under subparagraph (a) is committed by a qualifying partnership and it is proved that the offence was committed with the consent or connivance, or was attributable to any wilful neglect, of a person who was -

- (i) a member of the qualifying partnership,
- (ii) a director of such a member, or
- (iii) a person purporting to act in either such capacity,

that person shall, as well as the qualifying partnership, be guilty of an offence and may be proceeded against and punished as if he or she were guilty of the first-mentioned offence.

(6) A person who commits an offence under paragraph (5) shall be liable, on summary conviction, to a class A fine or imprisonment for a term not exceeding 6 months or both.

(7) If any person who is a -

- (a) partner in a qualifying partnership,
- (b) employee of a qualifying partnership, or
- (c) director of a member of a qualifying partnership,

fails to comply with a requirement referred to in section 387 of the Principal Act as applied by these Regulations, that person commits an offence and shall be liable -

- (i) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- (ii) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(8) If an undertaking, body or other person fails to comply with a requirement referred to in section 388 of the Principal Act as applied by these Regulations, that undertaking, body or other person, and any officer or employee of that undertaking, body or other person, shall be guilty of an offence and shall be liable -

- (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- (b) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(9) In any proceedings against a person in respect of an offence referred to in section 387 or 388 of the Principal Act as applied by these Regulations, it shall be a defence to prove -

- (a) that it was not reasonably possible for the person to comply with the requirement to which the offence relates within the time specified in the relevant provision of the Principal Act, and
- (b) that the person complied with the requirement to which the offence relates as soon as was reasonably possible after the expiration of such time.

(10) If a person who is a partner in, or employee of, a qualifying partnership makes a statement referred to in section 389 of the Principal Act as applied by these Regulations -

- (a) knowing that it is misleading or false in a material particular, or
- (b) being reckless as to whether it is misleading or false in a material particular,

that person commits an offence and shall be liable -

- (i) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or

- (ii) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(11) If a person who is subject to, or is deemed to be subject to, a disqualification order (within the meaning of Chapter 4 of Part 14 of the Principal Act) -

- (a) gives directions or instructions in relation to the conduct of any part of the audit of the financial statements of a qualifying partnership, or
- (b) works in any capacity in the conduct of an audit of the financial statements of a qualifying partnership,

he or she shall be guilty of an offence and shall be liable -

- (i) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- (ii) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(12) If a person in any return, statement, financial statement or other document required by or for the purposes of these Regulations intentionally makes a statement that is false in any material particular, knowing it to be so false, the person shall be guilty of an offence and shall be liable -

- (a) on summary conviction, to a class A fine or imprisonment for a term not exceeding 12 months or both, or
- (b) on conviction on indictment, to a fine not exceeding €50,000 or imprisonment for a term not exceeding 3 years or both.

(13) If a person, being the statutory auditor of a qualifying partnership, fails to comply with a requirement referred to in section 393(6) or 400(8)(a) of the Principal Act as applied by these Regulations, that person shall be guilty of an offence and shall be liable on summary conviction to a class A fine or imprisonment for a term not exceeding 6 months or both.

- (14) (a) A qualifying partnership that fails to comply with Regulations 5(1), 5(2), 5(3), 5(4), 5(6), 5(9), 5(10), 6(1), 6(2) or 6(3) of the Regulations of 2017 as applied by these Regulations commits an offence.

(b) Where an offence under subparagraph (a) is committed by a qualifying partnership and it is proved that the offence was committed with the consent or connivance, or was attributable to any wilful neglect, of a person who was -

- (i) a member of the qualifying partnership,
- (ii) a director of such a member, or
- (iii) a person purporting to act in either such capacity,

that person shall, as well as the qualifying partnership, be guilty of an offence and may be proceeded against and punished as if he or she were guilty of the first-mentioned offence.

(c) A person who commits an offence under subparagraphs (a) or (b) shall be liable on summary conviction to a class A fine or to imprisonment for a term not exceeding 6 months, or to both.

(15) Summary proceedings in relation to an offence under these Regulations may be brought and prosecuted by the Director of Corporate Enforcement.

(16) Without prejudice to the generality of paragraph (15), summary proceedings in relation to an offence referred to in section 343(11), 1459 or 1460 of the Principal Act as applied by these Regulations may be brought and prosecuted by the Registrar of Companies.



GIVEN under my Official Seal,  
29 November, 2019.

HEATHER HUMPHREYS

Minister for Business, Enterprise and Innovation.

## EXPLANATORY NOTE

*(This note is not part of the Regulations and does not purport to be a legal interpretation)*

The purpose of the Regulations is to give further effect to the transposed provisions of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (the Accounting Directive) to partnerships and limited partnerships where Article 1(1)(b) of that Directive requires it. The Regulations revoke the European Communities (Accounts) Regulations 1993 (S.I. 396 of 1996).

The Regulations are in 8 Parts as follows:

Part 1 of the Regulations addresses preliminary matters, including definitions, and revokes the European Communities (Accounts) Regulations 1993 (S.I. No. 396 of 1993).

Part 2 of the Regulations provides for amendments of the Companies Act 2014, substituting references to the present Regulations for those that are to be revoked.

Part 3 of the Regulations provides a definition of “Qualifying Partnership” and also provides for how a reference to members of a qualifying partnership shall be construed.

Part 4 of the Regulations requires the members of a qualifying partnership to apply Part 6 of the Companies Act 2014 to the partnership. The Part also provides for the interpretation of terms such as “director”, “officer”, “shares” and “share Capital” in the context of a partnership.

Part 5 of the Regulations provides for the preparation of a corporate governance statement in the event that a qualifying partnership has debentures admitted to trading on a regulated market.

Part 6 of the Regulations applies Part 26 of the Companies Act 2014 to qualifying partnerships.

Part 7 of the Regulations provides for the application of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (S.I. No. 360 of 2017) in the event that a qualifying partnership falls within the scope.

Part 8 of the Regulations provides for offences and penalties.

The Regulations amend the Companies Act 2014.

The Regulations revoke the European Communities (Accounts) Regulation 1993 (S.I. 396 of 1996).

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