

Ireland's New Corporate Enforcement Authority

The Corporate Enforcement Authority ("CEA") has now been established as an independent statutory agency to replace, and perform the functions previously performed by, the Office of Director of Corporate Enforcement ("ODCE").

The Ministerial Orders providing for the commencement of the Companies (Corporate Enforcement Authority) Act 2021 and the establishment of the CEA were signed by the Tánaiste, and Minister for Enterprise, Trade and Employment, Leo Varadkar, on 5 and 6 July 2022, respectively.

The establishment of the CEA as an independent agency is part of the Irish Government's 'White Collar Crime package' of measures to enhance Ireland's ability to combat corporate, economic and regulatory crime, which was published in November 2017. It also follows on from the Government's Implementation Plan on the recommendations in the Report of the Review Group on Anti-Fraud and Anti-Corruption from December 2020 (the Hamilton Report)¹.

The powers and functions of the CEA, which include the investigation of suspected breaches of company law by companies and their officers and enforcement, including by the prosecution of offences, are materially the same as those of the ODCE. The former Director of Corporate Enforcement, Ian Drennan, now serves as the CEA's Chief Executive Officer and the CEA will also likely adopt the same approach to enforcement. Read our update for further background behind the establishment of the

CEA and the differences between the CEA and the ODCE².

However, as a standalone agency, the CEA will be better equipped to deal with larger and more complex investigations. This was an area of some concern for the ODCE in recent years, particularly due to historic under-resourcing.

When announcing its establishment, the Tánaiste stated:

"We're giving it real teeth, making sure it has the autonomy and resources to thoroughly investigate suspected wrongdoing, such as fraudulent trading and larger, more complex company law breaches."

The Government also stated it was increasing staffing levels by nearly 50%, including doubling the number of Gardaí, and that the CEA's budget has also been increased by almost 30%. It is also expected that the CEA's investigative powers, particularly as regards search and seizure, will be supplemented in due course.

It will be business as usual as far as the day-to-day workings of the CEA are concerned relative to its predecessor. Nevertheless, CEA now has greater resources, finances and independence and will be better placed to conduct large-scale investigations into breaches of company law at the more serious end of the spectrum.

¹ <https://maples.com/en/knowledge-centre/2021/5/irelands-implementation-plan-to-tackle-economic-crime-and-corruption>

² <https://maples.com/en/knowledge-centre/2021/9/establishment-of-the-corporate-enforcement-authority-in-ireland>

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