

Permanent Fix Regarding Counterpart Signatures for Company Seals

What You Need to know

Under new legislation, a company's seal and related countersignatures can be on separate copies of a document and still be considered one document.

Background

As explained in our update of 16 October¹, the Companies (Corporate Governance, Enforcement and Regulatory Provisions) Act 2024² (the "2024 Act") includes, among other things, a permanent fix regarding counterpart signatures for company seals. There was previously an interim provision, introduced during the COVID-19 pandemic, which lapsed in December 2022.

Commencement

The President signed³ the 2024 Act on 12 November. Pursuant to SI 639 of 2024⁴, which commences section 7 of the 2024 Act, the new permanent fix is operational from 3 December.

The Permanent Fix

The 'interim fix' allowed a company to execute documents under its common seal on separate counterparts between 21 August 2020 and 31 December 2022. It proved extremely useful in practice for companies when a company's seal, and the persons authorised to countersign it, were in different locations.

The permanent fix works in exactly the same way and is effected under the new s43A of the Companies Act 2014. The company's seal and the related countersignatures can be on separate copies of the document in question (which can include deeds). Those separate executed pages are considered one document.

Points to Note

Section 43A applies "*notwithstanding any provision of the company's constitution*". It is therefore an alternative to any provision regarding the affixing of the common seal contained in the company's constitution. If the constitution specifies that only one countersignature is required when affixing the seal, the company must obtain an additional countersignature in order to rely on Section 43A.

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¹ Incoming Amendments to the Companies Act 2014 - Maples Group

² Companies (Corporate Governance, Enforcement and Regulatory Provisions) Act 2024

³ The President | 2024 Legislation | President of Ireland

⁴ Companies (Corporate Governance, Enforcement and Regulatory Provisions) Act 2024

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December 2024

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