



**Cork
CHAMBER**
IN BUSINESS FOR BUSINESS

Att: Ciaran McLoughlin
Company Law
Department of Jobs, Enterprise and Innovation
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**Submission to Department of Jobs, Enterprise and Innovation
on Section 279 of the Companies Act 2014**

Att: Ciaran McLoughlin

Cork Chamber of Commerce is the leading business representation organisation in the South of Ireland, representing over 1,100 members employing over 100,000 people in the region. Cork Chamber has a mandate to influence policy at both a regional and national level to ensure a business environment and economic landscape that is conducive to the operations and needs of our members.

With this letter, Cork Chamber wishes to propose an extension to Section 279 (2) of the Companies Act 2014 beyond 2020.

We note how currently, there are a number of significant Securities and Exchange Commission (SEC) registered companies which use modified Generally Accepted Accounting Principles for financial reporting in Ireland. Some of these, such as Tyco and Willis Towers Watson, are companies located in Cork which employ hundreds of people, contribute greatly to the Exchequer, and heavily invested in the future of our region.

In the absence of the exemption contained in Section 279 (2) of the Companies Act 2014, companies incorporated in Ireland that have securities listed on US stock exchanges would be obligated to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) or Irish Generally Accepted Accounting Principles (Irish GAAP) as well as in accordance with US Generally Accepted Accounting Principles (US GAAP). In other words, failure to allow for the Section 279 exemption to continue would result in an unduly onerous administrative burden being forced on such companies, by forcing them to create and maintain two sets of accounting records for the one company, each one prepared under different accounting standards. The imposition of such a requirement will lead to increased operating costs and in our view is unnecessary and of no benefit to the Irish taxpayer.

Preparing and filing the consolidated financial statements of a multinational organisation already represents a major burden in terms of financial and general corporate and accounting resources. It is the view of Cork Chamber that these resources would yield better returns if invested in the business through job creation and R&D rather than the unnecessary duplication of financial information.

Consequently, Cork Chamber believes that there is a justifiable need for a long-term or indefinite extension of the temporary relief provided for at Section 279. In summary, action is needed to avoid incurring significant and unnecessary costs for businesses; to maintain Ireland's reputation as an excellent place to do business; and to maintain Ireland's international competitiveness.

Should the Department decide to discontinue exemption under Section 279, it is critical that early clarity and certainty is provided to affected companies to afford them the requisite time to plan accordingly.

We look forward to a positive solution to this issue and encourage the Department to protect Ireland as a pro-business location by allowing for the extension of Section 279 (2) under the Companies Act 2014.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Conor Healy', is positioned above the printed name and title.

Conor Healy
CEO