



CEA

Údarás Forfheidhmithe Corparáideach
Corporate Enforcement Authority

STRATEGY

2022-2025

PROMOTING HIGH STANDARDS OF CORPORATE BEHAVIOUR
THROUGH THE ENFORCEMENT OF COMPANY LAW

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Foreword

The development of company law enforcement in Ireland

The establishment of the Corporate Enforcement Authority (“CEA”) is a significant event in that it marks the next phase in the evolution of company law enforcement in this jurisdiction.

Compliance with, and the enforcement of, company law has developed and advanced beyond recognition since the late 1990s, when the view was expressed in the McDowell Report that *“the sound of the enforcer’s footsteps on the beat is simply never heard”*. Directors of insolvent companies are now routinely restricted and disqualified as a consequence of their behaviour, criminal prosecutions are a regular occurrence and the financial and reputational risks associated with being the subject of enforcement action are such that compliance is high on all responsible boards’ agendas. Enforcers’ footsteps are now heard regularly, although not always loudly – sometimes the first they’re heard is when they arrive with a warrant.

The next evolution

Business is becoming ever more complex and corporates are having to evolve and professionalise to keep pace with the associated challenges and risks. For all the reasons that business is becoming more complex, the same can be said for enforcement – to say nothing of the increasing complexity of both company law and criminal law more generally.

The McDowell Report’s recommendations were a reflection of the then prevailing business environment and culture and included the establishment of an *“executive office”* of the Department of Enterprise, Trade and Employment. However, in order to keep pace with the ever-increasing complexity of business, corporate enforcement, similarly, needs to evolve. It needs to be more flexible, agile, technically proficient and capable of operating in a digital era. To operate at that level of effectiveness, we need, in particular, to be able to recruit the right people for what is highly specialised work.

The desirability of maximising flexibility, agility and technical proficiency has been both recognised and addressed by Government and the Oireachtas with the enactment of the Companies (Corporate Enforcement Authority) Act 2021 and the establishment of the CEA as a State agency. By providing additional flexibility and resources to the CEA, in the form of both civilian and Garda officers, Government has demonstrated its commitment to enhancing Ireland’s overall capacity to tackle economic crime and corruption. In parallel, the conferral of additional powers of investigation on the CEA is under active consideration following the recommendations of the Hamilton Group.

Our Vision and Strategy

This document sets out our vision for the CEA, namely to be

“An enforcement agency, that is trusted by the public and highly regarded by our stakeholders and counterparts, whose work contributes to public protection and to Ireland being regarded as a safe and well-regulated economy in which to invest and create employment”

and sets out at a high level the strategy that we will adopt over the period 2022-2025 in pursuit of our vision.

Our strategy is informed by a number of considerations, including:

- limited liability is designed to encourage and foster honest enterprise by permitting individuals to engage in entrepreneurial activity while limiting personal exposure to financial loss in the event of commercial failure;
- the purpose of company law is neither to prevent nor insure against, still less punish, failure;
- however, the law demands that, in return for the privilege of limited liability, those availing of it act in good faith and abide by minimum requirements of governance, transparency and commercial probity;
- most company directors want to do the right thing and make best endeavours to act accordingly. They should be assisted in their endeavours to the extent practicable, through the provision of easily accessible information and guidance;
- companies are governed and managed by individuals. As such, in the event of non-compliance, individual accountability is important;
- our finite resources are most effectively deployed in seeking to address indications of wrongdoing at the more serious end of the spectrum;
- it is important to continue to invest, in both our people and in technology;
- through experience, we have acquired valuable insights as to how compliance levels and the effectiveness of enforcement can be further enhanced and we will seek to influence legislation, policy and behaviour to that end.

This document also sets out how we will measure whether we have been successful over the period of this strategy in moving toward the realisation of our vision.

Concluding remarks

As we embark upon this next, exciting, evolution of company law enforcement in this jurisdiction, we look forward to working with our counterparts and stakeholders and to taking on the challenges that lie ahead.

In conclusion, I would like to thank An Tánaiste, Dr. Leo Varadkar TD, Minister of State for Trade Promotion, Digital and Company Regulation, Mr. Robert Troy TD and their officials in the Department of Enterprise, Trade & Employment for their commitment and determination to see the CEA become a reality and for their ongoing support. I would also like to thank my own colleagues, whose commitment and dedication has been invaluable in bringing the CEA to fruition.

Ian Drennan
Chief Executive Officer
& sole appointed Member of the Authority

Our Mission

To promote and serve the public interest by ensuring high levels of compliance with company law through effective advocacy and proportionate, robust and dissuasive enforcement.



Our Vision

An enforcement agency, trusted by the public and highly regarded by our stakeholders and counterparts, whose work contributes to public protection and to Ireland being regarded as a safe and well-regulated economy in which to invest and create employment.



Who We Are & What We Do

The CEA is Ireland's company law enforcement agency.

The purpose of company law

The primary purpose of company law is to facilitate continuity and encourage entrepreneurial activity. It does so by providing for separate corporate legal personality and limited liability, thereby circumscribing personal exposure to financial risk.

In return for these privileges, company law sets down a framework within which:

- companies and their directors are expected to operate;
- certain transparency requirements must be complied with;
- certain protections are afforded to shareholders, creditors and the wider public; and
- sanctions, civil and criminal, are provided for in respect of certain non-compliance.

Our statutory mandate

The CEA was established under the Companies (Corporate Enforcement Authority) Act 2021, which amends the Companies Act 2014. Under the 2014 Act, we are responsible for promoting compliance with, and investigating suspected breaches of, company law. In addition, the CEA has been conferred with statutory functions in respect of certain investment vehicles under the Irish Collective Asset-management Vehicles Act 2015.



Our Strategy

The CEA has dedicated its strategy over the period 2022-2025 to ensuring that a solid foundation is laid down upon which the agency can discharge its statutory mandate in an effective manner. In achieving that aim, we will focus on three strategic pillars.



PILLAR 1

EMBEDDING GOVERNANCE STRUCTURES, BUILDING OPERATIONAL CAPABILITY AND ESTABLISHING PRESENCE

- 1.1 Embedding governance structures and organisational values
- 1.2 Building operational capability
- 1.3 Establishing presence

PILLAR 2

EFFECTIVE ADVOCACY & INFLUENCING

- 2.1 Empowering stakeholders
- 2.2 Responding to evolving issues
- 2.3 Influencing, advising and engaging in thought leadership

PILLAR 3

OPERATING EFFECTIVE SYSTEMS OF PROPORTIONATE, ROBUST AND DISSUASIVE ENFORCEMENT

- 3.1 Operating an effective system of supervision of corporate insolvency
- 3.2 Operating an effective system of proportionate, robust and dissuasive enforcement
- 3.3 Ensuring individual accountability

How we will measure success

Our strategy over the period 2022-2025 is the high level basis upon which we will, over that timeframe, execute our mission in pursuit of our vision. Our strategy will, in turn, form the basis for annual business plans and associated deliverables.



Indicators as to the success of our multi-annual strategy will include the following

EMBEDDING GOVERNANCE STRUCTURES, BUILDING OPERATIONAL CAPABILITY AND ESTABLISHING PRESENCE

- Establishment of governance structures and full implementation of the Code of Practice for the Governance of State Bodies.
- Development of the CEA's Values Charter and the embedding of those values throughout the organisation.
- The recruitment of suitably qualified and experienced staff, sourced, to the maximum extent practicable, through open competition thereby providing the CEA with access to the widest pool of available talent.
- Ongoing, targeted, investment in training and development.
- Attainment of a high degree of awareness of the CEA and its role amongst key target demographics.
- Development of the CEA's social media presence and following.

EFFECTIVE ADVOCACY & INFLUENCING

- Enhanced empowerment of company directors/officers, members/shareholders and creditors through the development and promulgation of accessible information on duties, obligations and rights respectively and the associated increased awareness amongst target demographics.
- Development of responses, as appropriate, to evolving/emerging issues, e.g., through the publication of information/guidance material, provision of advice to Ministers etc.
- Contribution of influential and experience/evidence-based views on matters relating to the CEA's role and to economic crime more broadly, e.g., to Ministers and relevant policy and law reform fora, such as the Advisory Council against Economic Crime & Corruption, the Forum of Senior Regulators, the Company Law Review Group, the Anti-Money Laundering Steering Committee etc.

OPERATING EFFECTIVE SYSTEMS OF PROPORTIONATE, ROBUST AND DISSUASIVE ENFORCEMENT

- Effective operation of the corporate insolvency supervision regime, i.e., under which those company directors who would appear, having regard to the available evidence, not to have acted honestly, responsibly or otherwise appropriately are the subject of statutory undertakings or brought before the Courts to be held accountable.
- Effective identification, through the insolvency supervision process, of matters warranting referral to the Civil or Criminal Enforcement Directorates, i.e., instances of suspected wrongdoing warranting examination over and above the insolvency supervision regime.
- Efficient triage of external inputs (e.g., complaints, protected disclosures, statutory reports, referrals etc.) for the purpose of:
 - preliminary assessment and assignment of commensurate priority rating;
 - the efficient progression of matters suitable for disposal by way of administrative means in a manner that is proportionate and effective;
 - identifying matters in respect of which more significant enquiries are required, including, where relevant, where a criminal investigation may be warranted.
- Efficient management of investigations (to the extent within the CEA's sphere of influence) with a view to determining the appropriate outcome (e.g., closure, civil enforcement, summary prosecution, referral to the DPP, referral to another agency etc.).
- Balanced deployment of enforcement resources, having regard to strategic objectives.
- Investing in, and leveraging, technology in investigative and enforcement activities.
- Reviewing, developing, and, where appropriate, implementing enhancements/improvements in methodologies, processes and procedures adopted.
- Development of effective relationships with domestic, EU and international peers.

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